

# Directors' Report

Your Directors welcome the shareholders and take pleasure in presenting the 31st Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019.

## FINANCIAL RESULTS (CONSOLIDATED Ind AS)

	March 31, 2019	March 31, 2018
Total Income	7683.22	5489.34
Total expenditure	5948.83	4254.76
<b>Profit before tax</b>	<b>1734.39</b>	<b>1234.58</b>
Less: Provision for Tax		
-Current year	503.48	437.87
-Deferred Tax	39.39	-44.44
<b>Profit After Tax</b>	<b>1191.52</b>	<b>841.15</b>
<b>Other Comprehensive income (OCI)</b>	<b>-102.33</b>	<b>-2.16</b>
<b>Total Comprehensive income for the year</b>	<b>1089.19</b>	<b>838.99</b>
• Transfer to Statutory / Special reserves	217.00	166.13
• Dividend paid	150.71	99.95
• Dividend distribution Tax paid	30.99	20.35
Balance carried to balance sheet	690.49	552.56

## INCOME AND EXPENDITURE

The Company has drawn its annual accounts as per Indian Accounting Standards (Ind AS). Accordingly, the corresponding figures for the previous year have been revised. The principles of Ind AS are close to the International accounting standard, IFRS.

During the year, the Company has earned a total income of ₹7,683.22 crores as compared to ₹5,489.34 crores in the previous year, recording a growth of 40%.

Total expenses, provisions and write offs during the year were ₹5,948.83 crores as compared to ₹4,254.76 crores in the previous year, a growth of 40%.

## PROFIT

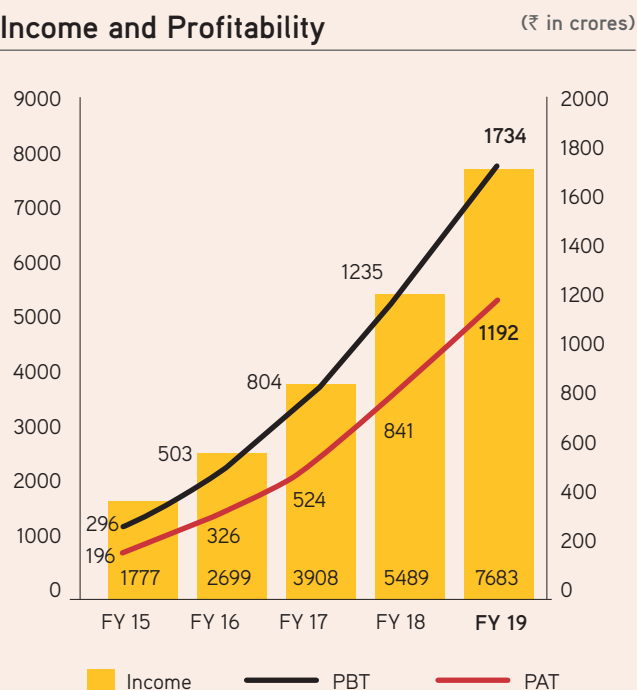
During the year, the Company has earned a Profit before Tax of ₹1,734.39 crores as compared to ₹1,234.58 crores in the previous year, recording a growth of 40%.

The Profit after Tax during the year was ₹1,191.52 crores as compared to ₹841.15 crores in the previous year, a growth of 42%.

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹9.00 per share same as was declared in the previous year.

## Income and Profitability



## LENDING OPERATIONS

During the year, the entire financial sector including Housing finance companies (HFCs) faced multiple challenges, mainly caused by tight liquidity and rising interest rate scenario. Earlier, the industry witnessed major structural reforms in quick succession, such as implementation of Real Estate Regulation Act (RERA), the Goods & Services Tax (GST) and Indian Accounting Standards (Ind AS).

The financial year 2019 witnessed slowdown in credit growth due to liquidity crunch, rising cost of funds leading to curtailment of disbursements by many HFCs. The market for long term borrowings had almost dried up, which had put additional burden on corresponding cost of funds.

HFCs have limited pricing power to pass on the entire expansion in cost of funds to the customers, resulting in compression of spreads, and negative sentiments across the sector.

It is a matter of concern that despite favourable macro-economic situation, low mortgage to GDP penetration in India and strong fundamentals of the mortgage industry, HFCs are facing huge liquidity issues particularly long term funds, which are essential for mortgage business.

In spite of many of the competitors slowing down disbursements in un-planned manner, the Company has honoured all the disbursement commitments during the financial year.

Throughout the year, the Company maintained sufficient liquidity, despite some additional cost involved in maintaining the liquidity.

Due to adverse sentiment and high unsold inventory, the new project launches have slowed down. The supplies have been curtailed due to build-up of unsold inventory over the years. The sales of housing units in the top nine cities of Mumbai, Pune, Noida, Gurugram, Bengaluru, Chennai, Hyderabad, Kolkata and Ahmedabad witnessed a decline.

Affordable housing projects (mass housing) are picking up momentum. It is a period of stabilisation, right-sizing and right-pricing of new residential projects so as to enable the people to take benefit under the Pradhan Mantri Awas Yojana (PMAY), a Credit Linked Subsidy Scheme (CLSS) for the Middle-Income Group (MIG) and Lower Income Group (LIG).

In the interim budget, the government has proposed relief to real estate developers by extending tax rebate on the development of affordable housing until the next fiscal. A proposal was further announced where income tax exemption on notional rent for unsold properties were extended to 2 years from existing 1 year. The GST council has reduced the GST rate for under-construction properties from the present 12% to 5%. The GST rate for affordable housing category has been reduced to 1% from 8%.

Because of the various adverse developments during the financial year, the Company recorded a moderate growth in fresh loan disbursements.

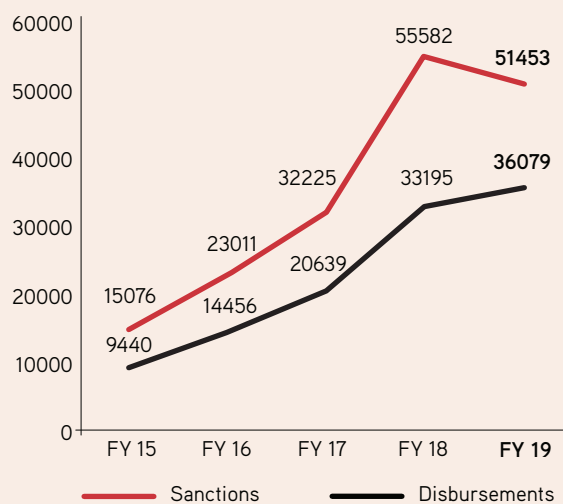
During the year, the Company has sanctioned loans amounting to ₹51,453 crores in respect of 1,11,656 loan applications as compared to ₹55,582 crores in respect to 1,02,468 applications in the previous year, recording a growth of 9% in number of loan applications and decline of 7% in loan sanctioned amount.

During the year, the Company has disbursed loans amounting to ₹36,079 crores as compared to ₹33,195 crores in the previous year, recording a growth of 9%. Out of total disbursements, ₹24,731 crores loans were disbursed for housing and ₹11,348 crores were disbursed for non-housing purposes.

The Company has built sufficient capabilities and competencies which are core to its unique operating model. With the likely improvement in market conditions and liquidity towards the second half of FY 2019-20 the Company is geared up for a better performance.

## Fresh Loans

(₹ in crores)



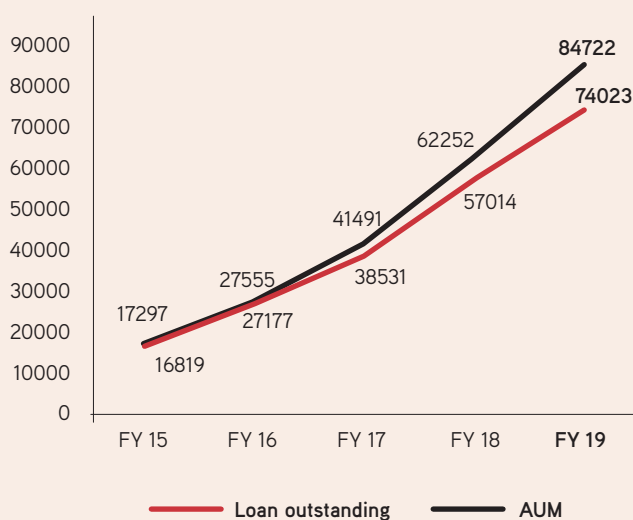
## Loan Book

Loans outstanding (principal portion) as at March 31, 2019 were ₹74,023 crores, recording a growth of 30% over the previous year.

The total Assets Under Management (AUM) as at March 31, 2019 were ₹84,722 crores, recording a growth of 36% over the previous year.

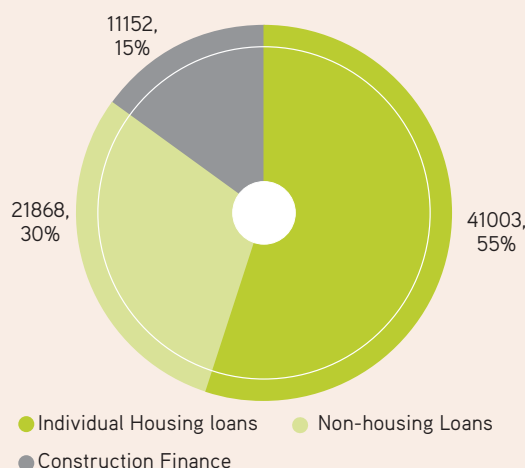
## Loan outstanding and AUM

(₹ in crores)



## Composition of loans

(₹ in crores)



During the year, the Company sold loans amounting to ₹7,337 crores under the direct loan assignment route to different institutions.

### Distribution

Over the last 7 years, the Company has expanded its distribution by opening 71 new branches taking the branch network from 31 branches as on March 31, 2013 to 102 branches as on March 31, 2019. In addition, the Company has opened outreach offices to support the branch network. The new branches nearly contribute 53% of the incremental retail disbursement, and 31% of the outstanding retail portfolio.

During FY 2018-19, the Company has opened 18 new branches, out of which 4 branches were opened in the existing locations and 14 branches were opened at new locations. As on March 31, 2019, the Company has presence through 102 branches, 29 outreach locations, totalling to 131 distribution outlets.

### PHFL Home Loans and Services Limited

The Company has been floated as a distribution arm for PNB Housing, offering doorstep services to the prospective customers. It predominantly sources business for the products offered by PNB Housing. The Company has de-risked PNB Housing from excess dependence on outsourced business.

The Company contributes nearly 62% of the retail Business for PNB Housing. During the year, the Company has sourced loans worth ₹16,494 crores for PNB Housing. The Financial Statements of PHFL are enclosed in the Consolidated Financial Statements of PNB Housing.

A report on the performance and financials of PHFL, as per Companies Act, 2013 and rules made thereunder (the "Act") is provided in Form AOC 1 attached to the Consolidated Financial Statements forming an integral part of the Annual Report.

### Underwriting and Risk Management

The Company follows robust and contemporary practices. The scale of business has increased by enhancing productivity without compromising on the adherence and compliance to laid down processes. Our testimony of success of sourcing, underwriting, operations and collection processes lies in the

fact that Company was the best amongst top 5 in terms of coincidental NPAs (Source: ICRA, September 2018).

Underwriting of loans is performed in specialised 23 hubs located across the country. These hubs have team of specialised underwriters, legal, technical and fraud control experts.

During the year, the Company has inducted various electronic and digital means in underwriting processes to make it more productive, efficient and optimum. These initiatives are called "Phygital" i.e. replacing the physical processes with digital means in part/full as well as to mitigate the inherent risk of fraud.

Some of the new initiatives taken during the year to strengthen credit risk management were;

- Enhanced KYC verification using digital means.
- Use of Hunter, a bureau developed anti-fraud check software to reduce manual intervention by Fraud Control team.
- The Company has developed an in-house credit score card for salaried applicants. The model has been validated using acceptable statistical methodologies.
- Reputed International Property Consultants empaneled for high ticket CF, large projects and new geographies. PropEquity usage was instituted for regular project monitoring and ground level diligence.
- The Company introduced TQM (Total Quality Management) to streamline processes and bring in efficiencies.
- Credit underwriting and technical teams were trained by a reputed empaneled expert on Valuation and Technical Analysis.

### RECOVERY AND NON-PERFORMING LOANS

Despite the tough economic environment, the Company could maintain NPAs lower than the industry estimations. Company's portfolio management methodologies are designed for early identification of problematic loans at regular intervals through various qualitative and quantitative measures. The Company has created a multi layered, cross functional, participative review mechanism at various levels.

For financial year 2018-19, the Company has adopted principles of Ind AS replacing IGAAP. Under Ind AS, the provisions for impaired and non-impaired assets was done taking into account the expected changes in the credit quality of the borrower over a period and providing for expected losses up front (termed as Expected Credit Loss or ECL).

For ECL, the Company has adopted a statistical approach and has created models comprising credit and transaction variables. ECL has three broad components viz. Probability of default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). For retail as well as Corporate Finance portfolio, PD / LGD computations are carried out at various sub segments.

The gross non-performing assets were ₹354.87 crores i.e. 0.48% of the outstanding loans and net non-performing assets (after provision as per NHB Directions) were ₹280.52 crores i.e. 0.38% of outstanding loans.

### Provisions

The Company has continued to build sound provisions on its loan assets over the years. Besides provisions prescribed under the National Housing Bank Directions, 2010 for standard assets and provisions for non-performing assets, the Company has additionally provided "Provisions for 'Contingencies' to meet any contingencies in the future and to insulate the Balance Sheet from macro-economic uncertainties .

The Company is carrying a ECL provision of ₹437.59 crores. The Company is also carrying a sum of ₹156.54 crores as 'Steady State Provisions'.

### RESOURCES

The entire financial sector faced liquidity concerns, particularly from the second half of the year. Raising of long term resources continues to be difficult as there are fewer investors for Non-Convertible Debentures (NCDs).

The 10-year benchmark G-Sec remained volatile in 2018 with yields ranging from 7.13% to 8.18% p.a. Due to tight liquidity, the Company has been maintaining liquidity required for 2-3 quarters.

In a difficult year, the Company continued to raise financial resources from multiple sources, both in domestic and international market. The Company maintained right resource mix and Asset Liability Management (ALM) under the given circumstances. There was increased dependence on bank borrowings from domestic and from international sources through the ECB route.

During the year, the cost of borrowings have increased, however under the given circumstances, the Treasury has raised resources at most competitive cost to the Company. The total borrowings have increased from ₹54,268 crores to ₹72,362 crores.

The Company has raised fresh resources of ₹30,858 crores during the year from multiple sources as under;

#### Term loans and overdraft from banks

The Company has raised term loans and other facilities from banks for ₹17,514 crores during the year.

#### External Commercial Borrowings

The Company has raised INR equivalent of ₹3,324 crores through ECB route from various banks during the year.

#### Refinance from National Housing Bank

The Company has raised refinance from National Housing Bank for ₹3,500 crores during the year.

#### Non-Convertible Debentures (NCDs)

The Company has raised ₹1,401 crores of secured NCDs through private placements during the year.

The Company has redeemed on maturity, secured NCDs of ₹530 crores during the year.

#### Subordinate debt

The Company has raised subordinated debt of ₹39.70 crores during the year. Based upon the balance term of maturity as on March 31, 2019 an amount of ₹1,258.90 crores is

considered as Tier II capital under NHB Directions for the purpose of computation of capital adequacy ratio.

The NCDs and subordinate debts issued by the Company are listed on the wholesale debt segment of National Stock Exchange.

### DEPOSITS

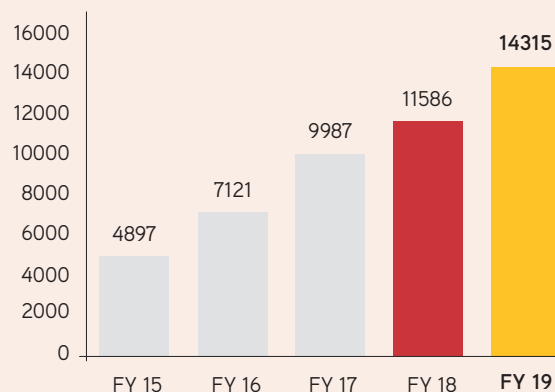
The Company has raised ₹5,923 crores of fresh deposits from public and through inter corporate deposits during the year. The outstanding deposits (including inter corporate deposits) as at March 31, 2019 were ₹14,315 crores as against ₹11,586 crores (including inter corporate deposits) outstanding last year, registering a growth of 24%.

Deposits are one of the major funding sources of the Company, contributing nearly 19% of the total loan assets. The deposits of the Company have been rated FAAA/Stable by CRISIL and CARE AAA by CARE, which means highest safety.

Deposit customers are core to the Company. The Company has a strong distribution network to reach its customers at doorstep. Company uses its state of art facility at NOIDA for delivery of deposit receipts, and other customer communication.

### Deposits

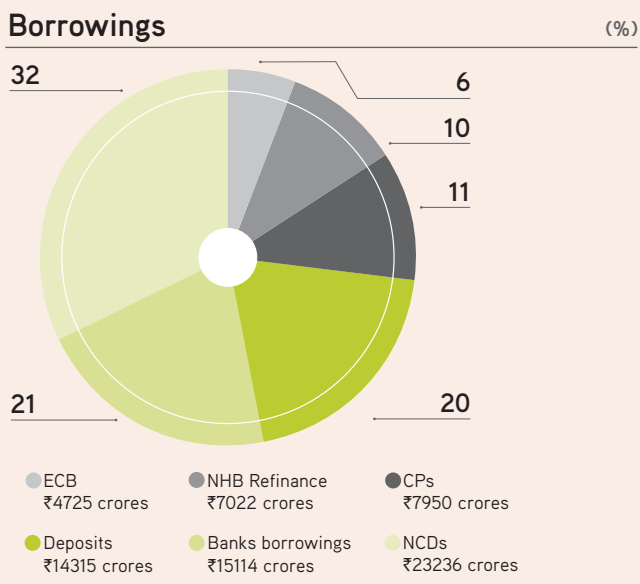
(₹ in crores)



The Company has accepted public deposits as per the NHB Directions, 2010 and as per the provisions of the Companies Act, 2013. The Company has paid/accrued interest on all the outstanding deposits on due dates. There has been no default on repayment of deposits or payment of interest thereon during the year.

#### Unclaimed Deposits and NCDs

Out of the deposits, which became due for repayment up to March 31, 2019, public deposits worth ₹74.73 crores, including interest accrued and due relating to 3,315 depositors had not been claimed or renewed. The Depositors have been intimated regarding the maturity of their deposits with a request to either renew or claim the deposits and subsequent reminders have been sent.



During the year, the Company has transferred an amount of ₹14.45 lakhs to Investor Education and Protection Fund (IEPF) established by the Central Government under section 125 of the Companies Act, 2013. In terms of the said section, no claim would lie against the Company after transfer to IEPF.

As at March 31, 2019 there was no NCDs or interest thereon, remaining unclaimed or unpaid.

**CREDIT RATING**

**NCDs**

During the year, different series of NCD issuances were rated. The outstanding ratings are; CARE AAA, India Rating AA+ (stable), ICRA AA+ (Negative) and CRISIL AA+ (stable). The rating indicates high safety.

**Commercial Paper**

CRISIL and CARE have rated commercial paper programme at A1+. The rating indicates highest safety.

**CAPITAL ADEQUACY RATIO**

The Capital Adequacy Ratio (CRAR) as on March 31, 2019 was 13.98% (comprising Tier I capital of 11.00% and Tier II capital of 2.98%). The NHB has prescribed minimum CRAR of 12% of total risk weighted assets.

**Investment in SLR**

The Company has maintained its Statutory Liquid Ratio (SLR) as stipulated by the NHB. The Company is having total SLR investments of ₹1,360 crores as on March 31, 2019. The Company has classified its SLR investments as per NHB Directions, 2010.

**HUMAN RESOURCES**

In a turbulent year, the Company’s focus was to hire and train human resources for the Company. The Company had opened 18 new branches. The HR and Training team along with respective functions took the primary responsibility to timely on board experienced resources across all new locations, impart functional and system training and develop them as a homogenous and productive resources for cross functional teams.

The Company also gave an opportunity to identify and develop the internal talent pool. Employees were given

career enhancement opportunity by horizontal and vertical movements and were entrusted with higher functional responsibilities.

Many monetary and non-monetary rewards/benefits plans were started for the employees. In line with Company’s core value of “People First”, HR processes and initiatives were aligned for building a superior human capital and keeping the work force across levels engaged and motivated.

In line with Company’s strategic objectives and future business requirement, it has been Company’s endeavour to build homogenous teams having diverse educational background with fair gender mix.

As a cadre building exercise and with an aim to groom in house talent, Company had started with campus hiring program in 2015. A total of 162 MTs were hired over the last four batches. This ingrown talent has emerged as a managerial cadre pipeline for future geographical expansion as also a ready bench strength to mitigate separation risk. The fourth batch of 55 MTs was on boarded in the month of May 2018.

The Learning and Development (L&D) team is committed to assist in organisation’s success, by enabling its people to perform, by enhancing their functional knowledge and upgrading their skills. L&D as a function is a critical talent management tool in building and retaining the talent pipeline. This gives a competitive advantage to the organisation.

The Company has offered Employees Stock Option Schemes (ESOPs) to its key employees and for other high performing mid-level employees, the Company has a Long Term Incentive Programme (LTIP). The Company also has various Rewards and Recognition Programmes (RIR) for the employees.

In the year 2018 the Company was again Certified as a Great Workplace for second year in a row by the Great Place to work institute.

As on March 31, 2019 the Company had a total of 1,609 full time employees on its rolls. There were 29 employees employed throughout the year, who were in receipt of remuneration of ₹1.02 crores or more per annum.

The remuneration comprises salary, allowances, perquisites/ taxable value of perquisites including perquisite value of ESOPs exercised and ex-gratia amount. In accordance with the provisions of Rule 5.2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of such employees are set out in annexure to the Directors’ Report.

In terms of the provisions of section 136(1) of the Companies Act, 2013 read with the said rule, the Directors Report is being sent to all the shareholders excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company.

Further disclosures on managerial remuneration are provided in annexure 1 appended to the Directors’ Report.

**CUSTOMER SERVICE AND TECHNOLOGY**

The Company is servicing over 3.87 lakhs deposits and loan customers as on March 31, 2019. The family is growing every month. Significant steps were taken to enable multichannel experience to the new age customer. From a ‘transaction led’ model, the service platform moved to being ‘engagement’ led.

Several initiatives were taken for enhanced Customer Service as under;

- The Company introduced the migration to TALISMA, a state of the art CRM system which offer services across the complete spectrum of channels like automated IVR (interactive voice response), Web chat, SMS etc. The Company is offering phone response and IVR services in 7 languages.
- 1800 120 8800 is the Toll Free number for all customers.
- Customercare@pnbhousing.com is the virtual address for the customers.
- A loan customer can now request for subsequent disbursement by registering the request on line through the web or mobile portal.
- Company has started digitising the loan and property documents and the soft copies are made available to the customers. This concept, similar to the digi locker, enables quick retrieval of document images.
- The Company has Intelligent Mailing Solution for managing despatch of physical communication through a robotic folder and inserter.

The Company is using latest digitisation facility at NOIDA and Mumbai for digitisation of security documents of the customers where scanned documents are stored on dedicated private cloud.

The Company plans to introduce many more steps towards better customer services, which will bring efficiencies and standardisation.

### AWARDS AND RECOGNITION

During the year, the Company has received following prestigious awards;

- Conferred by Economic Times - Best Brands of India 2019 Award: Economic Times felicitated with best brand of India 2019 award for making the brand 'PNB Housing' a household name, a name to reckon with, a brand to be admired by across the country.
- BFSI Innovation Tribe 2018: awarded by ET Edge for Fintech Innovative product iBOX. It is a blend of many fintech solutions, redefining the complete process of e-verification.
- SKOCH award: awarded with the SKOCH award among top FINTECH projects in India.
- Great Place to Work: PNB Housing has been again Certified as a Great Workplace second year in a row by the Great Place to work institute.
- Trescon BIG 50 BFSI Leaders Award: felicitated as winner at the award ceremony for its technology transformation journey and future road map to go digital.
- Best Stand-out IR' award: jointly received the 'Best Stand-out IR' award in the 'Large Cap' category by the prestigious IR Society of India in association with Bloomberg and BNY Mellon.
- Most Promising Business Leaders of Asia 2019: the Managing Director was recognised as One of the 'Most Promising Business Leaders of Asia 2019' at the Economic Times' Asian Business Leaders Conclave in Hong Kong.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Construction industry is one of the largest in India employing most of the rural and urban poor. During the year, the Company has continued to invest towards the holistic development of construction workers and their immediate family members.

The Company in partnership with CREDAI conducts on-site and off-site training programs for construction workers. The partnership begun in 2015, since then Company has worked on skill up-gradation, in the trade for masonry, bar bending, painting, electrical, plumbing and shuttering.

The other area of focus has been ensuring quality education for the poor children. For the last four years, Company has been supporting the operational cost of running Bal Vihar School. Through this intervention Company has ensured not just formal education to the children but also invested in the overall development of the Bal Vihar's academic systems.

Company has also partnered with Vidya and South Delhi Municipal Corporation, a public private partnership project. The Company has helped to revamp the entire academic system in this school having 150 children.

In accordance with the provisions of section 135 of the Companies Act, 2013 and rules framed thereunder, the Company has constituted a CSR Committee that reviews the CSR policy, steers activities to be undertaken by the Company towards CSR activities, and formulate a monitoring mechanism to ensure implementation of projects and activities undertaken by the Company.

During the year, the Company has spent a sum of ₹17.24 crores on various CSR activities. The annual report on CSR activities undertaken during the year forms part of annexure to the Board's Report.

### PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace. Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints. During the year under review, no complaint was received by the committee.

### REGULATORY COMPLIANCE

During the year, National Housing Bank (NHB) has issued guidelines on Information Technology Framework for HFCs. The focus of the IT framework is on IT governance, IT policy, Information & Cyber security, IT operations, IS audit and Business continuity planning. The Company has put in place a comprehensive IT system in line with the NHB Guidelines.

The NHB has issued comprehensive guidelines on reporting and monitoring of frauds. The Company has taken adequate measures for fraud control, monitoring and reporting of frauds.

The NHB has issued revised guidelines on "Know Your Customers & Anti Money Laundering measures for HFCs. The Company is taking steps to implement the revised guidelines.

The Company has been complying with all other guidelines and directions issued by the NHB. These include directions on

asset classification, accounting standards, income recognition, provisioning, capital adequacy, concentration of credit/ investments, credit rating etc. as amended from time to time.

The Know Your Customer (KYC) guidelines, Fair Practise Code and Anti Money Laundering (AML) standards as notified by the NHB are available on the Company's website. The Company has also adopted the model code of conduct for Direct Selling Agents and Guidelines for Recovery Agents as stipulated by NHB.

### **POLICIES AND CODES**

During the year, the Company has revised following statutory policies as required in terms of Listing Obligation and Disclosure Requirement and Insider Trading Regulations issued by the SEBI and placed the revised policies on its website;

(i) Insider trading policy, (ii) Related party policy, (iii) Whistle blower policy, (iv) Code of conduct for non-Executive Directors, (v) Code of conduct for Executive Directors and senior management (vi) Policy on determination of materiality (vii) Code and Practice for fair disclosure of UPSI and (viii) Policy on stationary control.

The other statutory policies placed on the website are;

(ix) Policy on preservation of documents, (x) Policy on archival of web disclosure, (xi) Dividend distribution policy, (xii) Policy on familiarisation programme for independent directors and (xiii) Policy on Board diversity.

### **INVESTOR RELATION**

During the year, the Company was added in the Morgan Stanley Composite Index (MSCI) India domestic small cap Index. MSCI is global index tracked by global funds as their portfolio benchmark. More than 20 research houses have initiated coverage on the Company.

Investor Presentation were updated every quarter to ensure that the updated information is available to the market participants.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' given in the above rules since the Company is engaged in providing housing loans.

There were no foreign exchange earnings and the Company has incurred foreign exchange expenditure of ₹169.40 crores during the year.

### **DIRECTORS**

The Board appointed two additional directors on the Board of the Company. Mr. L V Prabhakar was appointed as Non-Executive Director with effect from August 9, 2018. Mr. Neeraj Vyas was appointed as an Independent Director on the Board with effect from April 15, 2019.

Mr L V Prabhakar is currently Executive Director of Punjab National Bank and carries with him over three decades of banking experience. Mr Neeraj Vyas is retired Deputy Managing Director and Chief Operating Officer (COO) from

State Bank of India. He has long experience in commercial banking and operations.

During the year, Mr. Jayant Kumar Dang resigned from the Board with effect from July 20, 2018.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 (Act) that he/ she meets the criteria of independence laid down in the Act and SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015.

### **Re-appointment of Directors**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr Sunil Kaul is liable to retire by rotation at the ensuing Annual General Meeting (AGM). He is eligible for re-appointment.

The Directors have also recommended second term of one year to Mr Shital Kumar Jain as per section 149 and 152 of the Companies Act, 2013.

The necessary resolutions and their profile for re-appointment has been included in the notice and in the explanatory statement of the notice convening the AGM.

Your directors recommend their re-appointment in the forthcoming AGM of the Company.

All the directors have confirmed that they are not disqualified from being re-appointed as directors in terms of Section 164 (2) of Companies Act, 2013.

### **PERFORMANCE EVALUATION AND ITS CRITERIA**

Pursuant to the provisions of Section 178 of the Act, and Regulation 19 of Listing Regulations, performance evaluation of each Director, the Board as a whole, its Committees and the Chairman was carried out. A structured questionnaire was prepared for evaluating the performance of Directors, Board and its committees considering various factors.

### **COMMISSION TO INDEPENDENT DIRECTOR**

The Company considers the time and efforts put in by the Independent Directors in deliberations at the Board/ Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission, as approved by the Board and shareholders of the Company. Details of commission and sitting fees to the Independent Directors for the year ended March 31, 2019 are given in form MGT-9.

### **STATUTORY AUDITORS**

Messrs B R Maheshwari & Co having registration no. 001035N were the Statutory Auditors for the financial year ended March 31, 2019. The report of Statutory Auditors on annual accounts is enclosed along with Directors' Report.

### **CORPORATE GOVERNANCE**

The Company has been complying with the standards of corporate governance required under the Companies Act, 2013. The Board discharges the duties and responsibilities as required under the applicable statute(s) including the Companies Act. The Board lays strong emphasis on transparency, accountability, and integrity. The report on Corporate Governance is appended as a separate annexure to the Directors' Report.

A certificate from M/s B R Maheshwari & Co, Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is also attached to the Corporate Governance Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 134 (3) (c) of the Companies Act, 2013 the Board of Directors Report that;

- i. In preparation of annual accounts, the applicable accounting standards have been followed.
- ii. The Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and the profit and loss account for the year ended March 31, 2019.
- iii. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Company has prepared the accounts on a going concern basis.
- v. The Company has laid down internal controls which are adequate and are operating effectively.
- vi. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### INTERNAL FINANCIAL CONTROL

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

### EXTRACTS OF ANNUAL RETURN (FORM NO. MGT 9)

The details forming part of the extracts of the Annual Return in Form MGT-9 has been attached as part of Directors' Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

Since the Company is a housing finance company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of section 186(11) of the Companies Act, 2013.

The details of investments made by the Company are provided under note 7 forming part of Annual Accounts of the Company for the year ended March 31, 2019.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Company has appointed M/s Preeti Pahwa & Associates a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as annexure to this report.

### PARTICULARS OF CONTRACT OR ARRANGEMENTS ENTERED, MATERIAL CHANGES, DETAILS OF SUBSIDIARIES AND LITIGATIONS

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the close of the financial year to which the financial statement relates and the date of the Report.

There has been no change in the nature of business of the Company. No material or significant order has been passed by the Regulator or Courts or Tribunals impacting the going concern status of the Company. The Company has a subsidiary "PHFL Home Loans and Services Limited", a distribution arm for PNB Housing, offering doorstep services to the prospective customers.

### EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Company had granted 20,50,000 stock options to 198 employees under ESOP 2018 Plan A and Plan B and 1,36,485 stock options to 38 employees under ESOP 2016 Plan B on July 27, 2018 at a grant price of ₹1333.35 per option. The granted options will vest over a period of 4 years.

Refer note 23.8 of financial statements for detailed vesting schedule and other details.

During the year, 8,82,534 equity shares of ₹10 each were allotted to the eligible employees on exercise of ESOP options as per ESOP Policy of the Company.

### ACKNOWLEDGEMENTS

The Board of Directors thank the valued customers, shareholders, business partners and well-wishers for their wholehearted support.

The Board acknowledge with gratitude the advice, guidance and support of Government of India, Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and other statutory bodies/departments.

The Directors place on record their appreciation and gratitude to Depositors, Debenture holders, shareholders, IFC, ADB, Bankers, Legal advisors, Merchant Bankers, Registrar and Transfer Agents of the Company for their continued confidence and contribution to the growth of the Company.

Finally, the Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period.

For and on behalf of the Board

Chairman

Dated: May 27, 2019  
Place: New Delhi



# Annexure to Directors' Report - 1

## DISCLOSURES ON MANAGERIAL REMUNERATION:

Details of remuneration required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2018-19: 25.9:1

### Ratio of remuneration of each Director to the median employees' remuneration for FY 2018-19

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. Sunil Mehta	Chairman & Non-Executive Director	–
Mr. L V Prabhakar	Non-Executive Director	–
Mr. Sunil Kaul	Non-Executive Director	–
Mr. Shital Kumar Jain	Independent Director	–
Mr. Chandrasekaran Ramakrishnan	Independent Director	–
Mr. Gourav Vallabh	Independent Director	–
Mr. Nilesh Shivji Vikamsey	Independent Director	–
Mr. Ashwani Kumar Gupta	Independent Director	–
Mrs. Shubhalakshmi Panse	Independent Director	–
Mr. Sanjaya Gupta	Managing Director	25.9:1

- Percentage increase in the remuneration of the Managing Director, Chief Financial Officer and Company Secretary, if any, in FY 2018-19;

Name	Designation	Increase in Fixed Remuneration (%)
Mr. Sanjaya Gupta	Managing Director	15%
Mr. Kapish Jain	Chief Financial Officer	Not Eligible
Mr. Sanjay Jain	Company Secretary & Head Compliance	15%

The performance linked bonus paid in FY 2018-19 to the Managing Director is ₹1.00 crore and to the Company Secretary is ₹12.48 lakhs.

There was no change in the sitting fees paid to the Non-Executive directors for attending meetings of board/committees.

- The percentage increase in the median remuneration of employees in FY 2018-19 stood at 11.07%
- The Company had 1,609 permanent employees as on March 31, 2019
- Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the remuneration of managerial personnel stood at 15% and non-managerial personnel was 11%

The average increase in the remuneration of both the managerial and non-managerial personnel was determined based on the overall performance of the Company and as per the remuneration policy. Further, the criteria for increasing salary of non-managerial personnel is based on an internal evaluation of Key Performance Indicators (KPIs), while for managerial personnel it is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The remuneration of key managerial personnel is based on the overall performance of the Company. The Company further reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

# Annexure to Directors' Report - 2

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

PNB Housing through its Corporate Social Responsibility initiatives aims to be a catalyst that enables the marginalised community to be empowered and self-reliant.

We have embodied the principles of corporate responsibility in our business philosophy and operations. In our journey so far, we have built a sustainable business model and created value for our stake holders. We are confident that we will be able to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

#### Our CSR Policy

The CSR policy of the Company ensures an effective and sustained CSR programme, which manifests in the form of a progressive, socially responsible and enlightened attitude. At a conceptual level, Company's policies on CSR are oriented towards stakeholder-participation approach, where the target groups are seen as stakeholders in the community.

The CSR policy of the Company is based on three guiding principles:

- Sustainability
- Transparency
- Accountability

The CSR Policy of the Company is available on Company's website: <http://www.pnbhousing.com/pdf/CSR-policy-final.pdf>

### Our focus areas

Community which contributes significantly towards the mortgage sector and still remains at the bottom of the pyramid is of construction workers. Through our CSR initiative, we are committed to design and implement projects that work towards socio-economic upliftment of construction workers and their immediate families. In FY 2018-19 we continued strengthening our two key programmes for construction workers and their immediate family members. In partnership with CREDAI CSR Foundation, we have conducted construction workers skill development trainings pan India. With a commitment to ensure holistic care of the children of construction workers, we have established on-site day care centres.

While we remained committed towards empowerment of construction workers and their immediate families, we have also extended support towards following social issues.

- Ensuring formal education to underprivileged children
- Improving access to health care
- Skilling of unemployed youth
- Environment conservation.

### 2. The Composition of the CSR Committee:

1. Mr. R Chandrasekaran
2. Mr. L V Prabhakar
3. Mr. Ashwani Kumar Gupta
4. Mr. Sanjaya Gupta

The CSR committee has also constituted a CSR Executive Committee which works under the guidance of the CSR Committee of the Board to ensure effective implementation of the programs. The Managing Director oversees the working of the Executive Committee.

3. Average net profit of the Company for the last three financial years:

	FY 2015-16	FY 2016-17	FY 2017-18	Average
PBT	503.08	804.01	1279.09	862.05
Total CSR Expenses for FY 2018-19				17.24

(₹ in crores)

4. Details of CSR spent during the financial year:

- Total amount to be spent during FY 2018-19: ₹17.24 crores
- Total amount spent during FY 2018-19: ₹17.24 crores
- Amount unspent, if any: NIL
- Manner in which the amount was spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (₹ in lakhs) (2) overhead (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
<b>Project - Skill Training of Construction Workers</b>							
1	Promoting skill development for the construction workers Pan India	Skill development	An onsite/offsite training program for the upskilling of 10,500 construction workers Pan India	899.97	Direct Expenditure- 768.54 Overhead-131.43	899.97	Implementing agency- "CREDAI CSR Foundation"
<b>Project - Day care centres for the children of Construction Workers</b>							
2	Holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Promoting education and eradicating malnutrition	To support eighteen day care centres at construction sites in Delhi-NCR, Bangalore and Ahmedabad	157.64	Direct Expenditure- 133.68 Overhead-23.96	157.64	Implementing agency- "Mobile Creches"
3	do	Promoting education and eradicating malnutrition	Supporting five day care centre at construction site in Pune	56.19	Direct Expenditure- 51.69 Overhead-4.50	56.19	Implementing agency- "Tara Mobile Creches Pune"
4	do	Promoting education and eradicating malnutrition	Supporting two day care centre at construction site in Mumbai	33.65	Direct Expenditure- 30.00 Overhead-3.65	33.65	Implementing agency- "Mumbai Mobile Creches"
5	do	Promoting education and eradicating malnutrition	Supporting one day care centre at construction site in Faridabad	14.36	Direct Expenditure- 13.05 Overhead-1.31	14.36	Implementing agency- "Savera"
6	do	Promoting education and eradicating malnutrition	Supporting seven day care centres at construction sites in Hyderabad	46.36	Direct Expenditure- 46.36	46.36	Implementing agency- "Plan International-India Chapter"
7	Social security benefits	Promoting health and eradicating malnutrition	To ensure social security benefits to construction workers	8.00	Direct Expenditure- 7.52 Overhead- 0.48	8.00	Implementing agency- "Aajeevika Bureau"

<b>Project – Supporting education of underprivileged children</b>							
8	Ensuring formal education to underprivileged children	Promoting education	Supporting the VIDYA -Bal Vihar and VIDYA-PTS Colony school with their school running cost	119.96	Direct Expenditure-108.62 Overhead-11.34	119.96	Implementing agency-“VIDYA Integrated Development for Youth and Adults”
9	Ensuring formal education to underprivileged children	Promoting education	Providing scholarship support to students pursuing higher education	33.23	Direct Expenditure- 29.50 Overhead- 3.73	33.23	Implementing agency- “Buddy4Study Foundation”
10	Promoting inclusive education	Promoting education	Teachers’ training programme for government school teachers	3.00	Direct Expenditure- 2.30 Overhead- 0.70	3.00	Implementing agency - “Sri Aurobindo Society”
11	Enabling access to formal education	Promoting education	Supporting the construction of hostel for Tribal Girls in Pune	1.51	Direct Expenditure-1.51	1.51	Implementing agency- “Vanavasi Kalyan Ashram, Maharashtra”
12	Enabling education to girl child	Promoting education	Supporting the education for underprivileged children	1.00	Direct Expenditure-1.00	1.00	Implementing agency-“JM Financial Foundation”
<b>Project – Improving access to Health Care</b>							
13	Enabling access to health care	Promoting health	To enhance infrastructure at Department of Neurosurgery and Department of Cardiothoracic surgery AIIMS Hospital	87.21	Direct Expenditure- 87.21	87.21	Direct Implementation
14	Enabling access to health care	Promoting health	To enhance infrastructure at Department of Neonatology, KGMU Hospital	26.17	Direct Expenditure- 26.17	26.17	Direct Implementation
15	Supporting health care	Promoting health	To support health and hygiene intervention for young adolescent girls in Uttar Pradesh	22.18	Direct Expenditure- 22.18	22.18	Implementing agency- “Progress Alternative”
16	Supporting health care	Promoting health	Supporting Cancer patient helpline and clinic in Delhi	32.00	Direct Expenditure- 31.15 Overhead-0.85	32.00	Implementing agency- “CanSupport”
17	Supporting health care	Promoting health	Supporting mental health intervention in Delhi	7.80	Direct Expenditure- 7.80	7.80	Implementing agency- “Sanjivini Society for Mental Health”
<b>Project - Environment Conservation and Promoting Play</b>							
18	Swachh Bharat Abhiyan	Environment Conservation	To refurbish a park in partnership with Faridabad Municipal Corporation, Haryana	2.49	Direct Expenditure-2.49	2.49	Direct Implementation
19	Promoting Play	Restoring public spaces	Creating engaging and safe public play area	3.40	Direct Expenditure-3.40	3.40	Implementing agency-“End Poverty”

Project- Skilling of unemployed youth							
20	Skilling of unemployed youth	Skill Development	To train unemployed youth in BFSI sector related trades and further create employment opportunity	10.00	Direct Expenditure- 9.00 Overhead- 1.00	10.00	Implementing agency- "Social Empowerment & Economic Development Society"
Project- Elderly Care							
21	Supporting underprivileged elderlies	Elderly Care	Supported operational cost of an old age home in Delhi	13.36	Direct Expenditure- 12.38 Overhead- 0.98	13.36	Implementing agency- "Ayudham Society for Old and Infirm"
Project- Sports for Development							
22	Promoting sports	Sports for Development	Providing professional badminton training to the students in 20 government schools in Bangalore and Chennai	12.09	Direct Expenditure- 10.89 Overhead-1.20	12.09	Implementing agency- "SRF Foundation"
Miscellaneous –Disaster Relief and PM Relief Fund							
23	Disaster Management	-	Kerala disaster relief work	4.47	Direct Expenditure - 4.47	4.47	Direct Implementation
24	PM Relief Fund	-	-	41.95	Direct Expenditure - 41.95	41.95	Implementing agency- "Prime Ministers Relief Fund"
25	Administrative Overheads	-	-	-	-	86.21	-
<b>Total</b>						<b>1724.20</b>	

**5. Details of Implementing Agencies:**

The Company has carried out its CSR initiatives primarily through non-profit organisations. During the year, grants were provided to 19 implementing agencies, out of which major ones are:

- a) **The CREDAI CSR Foundation (CCF):** the CSR arm of Confederation of Real Estate Developers Associations’ of India (CREDAI) is engaged in development and execution of social and charitable projects with focus on construction workers. In partnership with CCF, we have ensured skill training of 10,500 construction workers pan India.
- b) **Mobile Creches for Working Mothers Children (MC):** since 1970 MC is providing creche services for children of migrant construction workers at urban construction sites. At the day care centres, MC ensures health, nutrition, learning, care and protection for children in the age group of birth to 14 years. In FY 2018-19 we have supported 18 such day care centres in Delhi-NCR, Ahmedabad and Bangalore and ensured holistic development to 2,500 children.
- c) **Mumbai Mobile Creches (MMC):** since 1972, Mumbai Mobile Creches has been one of the few non-profit organisation specifically supporting the health, education and safety of children living at construction sites. MMC and PNB Housing have

established 1 day care centres in Virar catering to 250 children and 1 centre in Jasai catering to 100 children.

- d) **Tara Mobile Creches Pune (TMCP):** a non-profit organisation, set up in 2007. It ensures that migrant construction workers’ children enjoy the right to safety, healthcare, education, recreation and participation. TMCP operates centres, or creches on construction sites in and around Pune. In FY 2018-19, in partnership with TMCP, we have established 5 day care centres in Pune and supported 1,500 children through our centres.
- e) **Plan India:** it is a member of Plan International Federation. It is a nationally registered independent child development organisation. For over 35 years, ‘Plan India’ and its partners have improved the lives of millions of children by providing them access to protection, basic education, proper healthcare, a healthy environment, livelihood opportunities and participation in decisions which affect their lives. In FY 2018-19 in partnership with Plan India, we have ensured holistic development to 500 children living at various construction sites in Hyderabad.
- f) **Vidya-Integrated Development of Youths and Adults:** is a registered not-for-profit organisation, started in 1985 at IIT Delhi campus, for education and empowerment of underprivileged children, youth and women through micro-level intervention.

In partnership with Vidya, we have supported the operational cost of running two formal schools in Delhi and ensured formal education to 550 children.

- g) **Can Support:** is a NGO working towards a caring and supportive society where people with cancer and their families live with dignity, hope and comfort. Can Support's mission is to enable these people to make informed choices while receiving appropriate physical, emotional, social and spiritual support. In partnership with Can Support, we are supporting the operational cost of running their helpline and cancer patient clinic and supported 4,700 patients and care givers.
- h) **Progress Alternative:** established in 1997 the key goal of the organisation was to create awareness on the issues of health and hygiene amongst young girls living in the rural belt in and around Lucknow, Uttar Pradesh. In partnership with Progress Alternative, we are executing health programme in four villages. The programme at each village focuses on providing 'Reproductive and Child Health Training' (RCH) and awareness on the communicable and non – communicable diseases as well as awareness on social issues like disadvantages of early child marriage, family planning etc.
- i) **Social Empowerment & Economic Development Society (SEED):** was pioneered with a vision to bring about social change for a more equitable society and provide improved access to opportunities for growth. The focus areas for SEEDS activities are Education, Skill Development & Livelihoods and Sustainable agriculture. Our CSR programme aims to impart training to unemployed youths in skills related to Banking, Financial Services and Insurance (BFSI) through a short duration vocational program and thus engaging them in a sustainable employment, resulting in poverty alleviation.
- j) **Aajeevika Bureau:** we have collaborated with Aajeevika Bureau, a NGO to address the unique vulnerabilities of the workforce at two construction sites in Ahmedabad. It is an integrated approach to ensure social well-being of construction worker communities. The aim is to facilitate enrollment to provide social security benefit linkages to 1,000 workers.
- k) **Sri Aurobindo Society (SAS):** is a global not for profit organisation working towards transforming education in government schools through 'Project Inclusion'. In FY 2018-19, we collaborated with SAS to support 'Rupantar' program under Project Inclusion. The program is focused on sensitisation training of school teachers and officials towards addressing mental health challenges faced by primary and upper-primary school students across three blocks of Uttar Pradesh-Baldeo, Vrindavan and Mathura. The program has been recognised by Government of Uttar Pradesh. The program is helping build capacity of over 3,000 teachers and officials to further support the everyday systemic challenges faced by children with special needs.
- l) **SRF Foundation:** there is no dearth of talent in our country when it comes to sports. Yet due to societal barriers, this talent is left undiscovered and unsupported. We have partnered with SRF Foundation to work with the children in the government schools adopted by SRF foundation in Chennai and Bangalore, using sports as medium of empowerment.
- m) **PM National Relief Fund:** in pursuance of an appeal by the then Prime Minister, Pt. Jawaharlal Nehru in January, 1948, the Prime Minister's National Relief Fund (PMNRF) was established with public contributions to assist displaced persons from Pakistan. The resources of the PMNRF are now utilised primarily to render immediate relief to families of those killed in natural calamities like floods, cyclones, earthquakes, etc. and to the victims of the major accidents and riots.
6. **In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:**  
Not applicable
7. **The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.**

Managing Director

Chairman of CSR Committee

# Annexure to Directors' Report - 3

## Form No. MGT- 9

### Extract of Annual Return

as on the financial year ended on March 31, 2019

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies Management and Administration Rules, 2014)

#### 1. REGISTRATION AND OTHER DETAILS:

CIN	L65922DL1988PLC033856
Registration Date	November 11, 1988
Name of the Company	PNB Housing Finance Limited
Category/Sub Category of the Company	Housing Finance
Address of the registered office and contact details	9th Floor, Antriksh Bhawan, 22, K G Marg, New Delhi-110001 Tel: 011-23445200, Fax: 011-23736857
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Ltd.C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Ph.: +91 22 49186000, Fax: +91 22 49186060 E-mail:rnt.helpdesk@linkintime.co.in Website:www.linkintime.co.in

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and description of main products/services	NIC code of the product/service	% of the total turnover of the Company
1	Financial Service Activities, Except Insurance and Pension Funding	64192	100%

#### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	PHFL Home Loans and Services Limited Flat No. 207 & 209, 2nd Floor Antriksh Bhawan, 22, Kasturba Gandhi Marg New Delhi - 110001	U67200DL2017PLC322468	Subsidiary Company	100%	2(87)
2.	Punjab National Bank Plot No. 4, Sector -10 Dwarka New Delhi -110075	-	Promoter Company	32.79%	-

**4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)****i) Category-wise Share Holding**

Category of shareholder	No. of shares held at the beginning of the year (Demat.)		No. of shares held at the end of the year (Demat.)		% change during the year
	Number	% age of shares	Number	% age of shares	Applicable section
<b>A. PROMOTERS</b>					
<b>1) Indian</b>					
a) Individual/ HUF	-	-	-	-	-
b) Central Govt	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-
e) Banks/FI	54914840	32.96	54914840	32.79	(0.17)*
f) Any Other	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>54914840</b>	<b>32.96</b>	<b>54914840</b>	<b>32.79</b>	<b>(0.17)*</b>
<b>2) Foreign</b>					
a) NRIs - Individuals	-	-	-	-	-
b) Other Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks / FI	-	-	-	-	-
e) Any Other....	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A)=(A)(1)+(A)(2)</b>	<b>54914840</b>	<b>32.96</b>	<b>54914840</b>	<b>32.79</b>	<b>(0.17)</b>
<b>B. PUBLIC SHAREHOLDING</b>					
<b>1. Institutions</b>					
a) Mutual Funds	10892178	6.54	12832055	7.66	1.12
b) Banks/FI	1596914	0.96	1511787	0.90	(0.06)
c) Central Govt	-	-	1060	0.00	0.00
d) State Govt(s)	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-
g) FII/ Foreign Portfolio Investors	27209948	16.33	33345828	19.91	3.58
h) Foreign Venture Capital Funds	-	-	-	-	-
i) Others (Alternate Investment Funds)	232534	0.14	558903	0.33	0.19
<b>Sub total (B) (1):-</b>	<b>39931574</b>	<b>23.97</b>	<b>48249633</b>	<b>28.80</b>	<b>4.83</b>
<b>2. Non- Institutions</b>					
<b>a) Bodies Corp.</b>					
i) Indian	2659201	1.60	2273155	1.36	(0.24)
ii) Overseas	-	-	-	-	-
<b>b) Individuals</b>					
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	4770208 (10 shares in physical)	2.86	4722992 (16 shares in physical)	2.83	(0.03)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakhs	1118558	0.68	1385485	0.84	0.16
<b>c) Others (specify)</b>					
• Trusts	54442	0.03	535874	0.32	0.29
• Foreign Nationals	0	0	0	0.00	0.00
• Hindu Undivided Family	360890	0.22	255290	0.15	(0.07)
• Foreign Companies	62192300	37.33	54192300	32.36	(4.97)
• Non Resident Indians (Non Repat)	96589	0.06	87214	0.05	(0.01)
• Non Resident Indians (Repat)	252913	0.15	223752	0.13	(0.02)
• Clearing Member	234967	0.14	522479	0.31	0.17
• NBFCs registered with RBI	-	-	106002	0.06	0.06
<b>Sub-total(B) (2):-</b>	<b>71740068</b>	<b>43.07</b>	<b>64304543</b>	<b>38.41</b>	<b>(4.66)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>111671642</b>	<b>67.04</b>	<b>112554176</b>	<b>67.21</b>	<b>0.17</b>
<b>(C) SHARES HELD BY CUSTODIAN FOR GDR &amp; ADR</b>					
	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>166586482</b>	<b>100</b>	<b>167469016</b>	<b>100</b>	<b>-</b>

\*The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 882534 equity shares under Employee Stock Option Scheme.



ii. Shareholding of promoters:

Sr. No.	Shareholder's Name Category of shareholder	Shareholding at the beginning of the year			No. of shares held at the end of the year (Demat.)			% change in holding during the year
		No. of shares	% of total shares of the Co.	% of total shares encumbered/pledged to total shares	No. of shares	% of total shares of the Co.	% of total shares encumbered/pledged	
1	Punjab National Bank	54914840	32.96	-	54914840	32.79	-	(0.17%)*

\* The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 882534 equity shares under Employee Stock Option Scheme

iii. Change in Promoters' shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	At the beginning of the year	54914840	32.96		
2	At the end of the year			54914840	32.79*

\* The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 882534 equity shares under Employee Stock Option Scheme

iv. Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		No. of shares held at the end of the year (Demat.)			Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
1	Quality Investment Holdings	62192300	37.33	-	-	-		
	Closing Balance			11.05.2018	8000000	Sale	54192300	32.359
							54192300	32.359
2	General Atlantic Singapore Fund FII PTE Ltd.	14199928	8.524					
				20.04.2018	22000	Purchase	14221928	8.492
				27.04.2018	139948	Purchase	14361876	8.575
				04.05.2018	1364	Purchase	14363240	8.576
				11.05.2018	2020956	Purchase	16384196	9.783
				18.05.2018	191044	Purchase	16575240	9.897
				25.05.2018	18000	Purchase	16593240	9.908
	Closing Balance						16593240	9.908
3.	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Advantage Fund	4864462	2.920					
				06.04.2018	(111590)	Sale	4752872	2.838
				13.04.2018	(25000)	Sale	4727872	2.823
				20.04.2018	(51298)	Sale	4676574	2.792
				11.05.2018	953124	Purchase	5629698	3.361
				25.05.2018	51900	Purchase	5681598	3.392
				08.06.2018	(12876)	Sale	5668722	3.384
				13.07.2018	50000	Purchase	5718722	3.414
				20.07.2018	107000	Purchase	5825722	3.478
				27.07.2018	9700	Purchase	5835422	3.484
				29.09.2018	46975	Purchase	5882397	3.512
				05.10.2018	(61400)	Sale	5820997	3.475
				12.10.2018	(102000)	Sale	5718997	3.415
				19.10.2018	56900	Purchase	5775897	3.448
				26.10.2018	449500	Purchase	6225397	3.717
				02.11.2018	90500	Purchase	6315897	3.771
				23.11.2018	(2100)	Sale	6313797	3.770
				21.12.2018	55000	Purchase	6368797	3.803
				04.01.2019	11000	Purchase	6379797	3.809
				11.01.2019	50000	Purchase	6429797	3.839
				15.02.2019	(42300)	Sale	6387497	3.814
				22.02.2019	(7000)	Sale	6380497	3.810
				29.03.2019	(8396)	Sale	6372101	3.804
	Closing Balance						6372101	3.804

Sr. No.	Name	Shareholding at the beginning of the year		No. of shares held at the end of the year (Demat.)			Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
4.	Reliance Capital Trustee Co Ltd A/c- Reliance Equity Hybrid Fund	1240881	0.741					
				13.04.2018	1981	Purchase	1242862	0.742
				11.05.2018	1056674	Purchase	2299536	1.373
				18.05.2018	413026	Purchase	2712562	1.619
				25.05.2018	105000	Purchase	2817562	1.682
				01.06.2018	8770	Purchase	2826332	1.687
				15.06.2018	37684	Purchase	2864016	1.710
				22.06.2018	12316	Purchase	2876332	1.717
				30.06.2018	81517	Purchase	2957849	1.766
				03.08.2018	(7212)	Sale	2950637	1.761
				07.09.2018	(121993)	Sale	2828644	1.689
				21.09.2018	(29542)	Sale	2799102	1.671
				23.11.2018	(370023)	Sale	2429079	1.450
				01.02.2019	958	Purchase	2430037	1.451
				08.02.2019	12	Purchase	2430049	1.451
				01.03.2019	(185826)	Sale	2244223	1.340
				08.03.2019	(65366)	Sale	2178857	1.301
				15.03.2019	(29543)	Sale	2149314	1.283
				22.03.2019	(44157)	Sale	2105157	1.257
				29.03.2019	507	Purchase	2105664	1.257
	Closing Balance						2105664	1.257
5.	SBI Magnum Midcap Fund	198112	0.118					
				20.04.2018	139312	Purchase	337424	0.201
				27.04.2018	77731	Purchase	415155	0.247
				11.05.2018	400000	Purchase	815155	0.486
				25.05.2018	200000	Purchase	1015155	0.606
				08.06.2018	200000	Purchase	1215155	0.725
				15.06.2018	376000	Purchase	1591155	0.950
				22.06.2018	167000	Purchase	1758155	1.049
				06.07.2018	33900	Purchase	1792055	1.070
				13.07.2018	41573	Purchase	1833628	1.094
				03.08.2018	(29755)	Sale	1803873	1.077
				10.08.2018	(13245)	Sale	1790628	1.069
				24.08.2018	2602	Purchase	1793230	1.070
				07.09.2018	55000	Purchase	1848230	1.103
				14.09.2018	659825	Purchase	2508055	1.497
				05.10.2018	(5200)	Sale	2502855	1.494
				12.10.2018	176000	Purchase	2678855	1.599
				19.10.2018	(21525)	Sale	2657330	1.586
				26.10.2018	198575	Purchase	2855905	1.705
				11.01.2019	18000	Purchase	2873905	1.716
				22.02.2019	(176800)	Sale	2697105	1.610
				01.03.2019	(100000)	Sale	2597105	1.550
				08.03.2019	(84779)	Sale	2512326	1.500
				15.03.2019	(128388)	Sale	2383938	1.423
				22.03.2019	(89635)	Sale	2294303	1.370
				29.03.2019	(477108)	Sale	1817195	1.085
	Closing Balance						1817195	1.085
6.	Franklin Templeton Mutual Fund A/C Franklin India Equity Advantage Fund	189380	0.113					
				11.05.2018	250000	Purchase	439380	0.262
				25.05.2018	6451	Purchase	445831	0.266
				01.06.2018	141738	Purchase	587569	0.350
				08.06.2018	134893	Purchase	722462	0.431
				15.06.2018	151273	Purchase	873735	0.521
				07.09.2018	4379	Purchase	878114	0.524
				14.09.2018	1790	Purchase	879904	0.525
				12.10.2018	72828	Purchase	952732	0.568
				26.10.2018	5000	Purchase	957732	0.571

Sr. No.	Name	Shareholding at the beginning of the year		No. of shares held at the end of the year (Demat.)			Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
				07.12.2018	70678	Purchase	1028410	0.614
				11.01.2019	127580	Purchase	1155990	0.690
				18.01.2019	72420	Purchase	1228410	0.733
				25.01.2019	100000	Purchase	1328410	0.793
				01.02.2019	78556	Purchase	1406966	0.840
				08.02.2019	3796	Purchase	1410762	0.842
				22.03.2019	100000	Purchase	1510762	0.902
				29.03.2019	50000	Purchase	1560762	0.932
	Closing Balance						1560762	0.932
7.	Malabar India Fund Limited	761967	0.457					
				08.06.2018	92904	Purchase	854871	0.510
				15.06.2018	127918	Purchase	982789	0.586
				22.06.2018	72542	Purchase	1055331	0.630
				30.06.2018	66340	Purchase	1121671	0.669
				31.08.2018	(40000)	Sale	1081671	0.645
				29.09.2018	40000	Purchase	1121671	0.669
				05.10.2018	40000	Purchase	1161671	0.693
				12.10.2018	719	Purchase	1162390	0.694
				19.10.2018	1494	Purchase	1163884	0.695
				26.10.2018	67787	Purchase	1231671	0.735
	Closing Balance						1231671	0.735
8.	Rochdale Emerging Markets (Mauritius)	-	-					
				30.06.2018	475387	Purchase	475387	0.283
				06.07.2018	110001	Purchase	585388	0.349
				13.07.2018	127457	Purchase	712845	0.425
				24.08.2018	92289	Purchase	805134	0.480
				31.08.2018	12624	Purchase	817758	0.488
				29.09.2018	240000	Purchase	1057758	0.631
	Closing Balance						1057758	0.631
9.	Auburn Limited	374100	0.223					
				13.04.2018	660	Purchase	374760	0.223
				15.06.2018	59100	Purchase	433860	0.259
				29.09.2018	66000	Purchase	499860	0.298
				05.10.2018	180000	Purchase	679860	0.406
				12.10.2018	160000	Purchase	839860	0.501
				26.10.2018	195000	Purchase	1034860	0.617
				01.03.2019	20736	Purchase	1055596	0.630
	Closing Balance						1055596	0.630
10.	BNP Paribas Arbitrage	15831	0.009					
				06.04.2018	(15831)	Sale	0	0.000
				30.06.2018	13600	Purchase	13600	0.008
				10.08.2018	(13600)	Sale	0	0.000
				05.10.2018	739556	Purchase	739556	0.441
				12.10.2018	340207	Purchase	1079763	0.644
				16.11.2018	(48405)	Sale	1031358	0.615
				23.11.2018	(47223)	Sale	984135	0.587
				30.11.2018	(643)	Sale	983492	0.587
				01.02.2019	2681	Purchase	986173	0.588
				08.02.2019	(27827)	Sale	958346	0.572
				15.02.2019	(1533)	Sale	956813	0.571
				01.03.2019	(1148)	Sale	955665	0.570
	Closing Balance						955665	0.570
11.	United India Insurance Company Limited	897502	0.535					
	Closing Balance						897502	0.53
12.	Motilal Oswal Multicap 35 Fund	4079871	2.436					
				06.04.2018	(41871)	Sale	4038000	2.411
				13.04.2018	(50000)	Sale	3988000	2.381
				20.04.2018	7	Purchase	3988007	2.381
				27.04.2018	(73429)	Sale	3914578	2.337

Sr. No.	Name	Shareholding at the beginning of the year		No. of shares held at the end of the year (Demat.)			Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
				11.05.2018	76123	Purchase	3990701	2.382
				18.05.2018	38324	Purchase	4029025	2.405
				01.06.2018	(357590)	Sale	3671435	2.192
				08.06.2018	(127923)	Sale	3543512	2.115
				22.06.2018	(218591)	Sale	3324921	1.985
				30.06.2018	(415000)	Sale	2909921	1.737
				06.07.2018	(21976)	Sale	2887945	1.724
				13.07.2018	35	Purchase	2887980	1.724
				03.08.2018	56409	Purchase	2944389	1.758
				17.08.2018	(14343)	Sale	2930046	1.749
				29.09.2018	(39943)	Sale	2890103	1.725
				05.10.2018	(468007)	Sale	2422096	1.446
				12.10.2018	(705280)	Sale	1716816	1.025
				19.10.2018	(70)	Sale	1716746	1.025
				09.11.2018	(923)	Sale	1715823	1.024
				16.11.2018	20	Purchase	1715843	1.024
				30.11.2018	(13100)	Sale	1702743	1.016
				07.12.2018	(74864)	Sale	1627879	0.972
				14.12.2018	(39771)	Sale	1588108	0.948
				21.12.2018	(88428)	Sale	1499680	0.895
				28.12.2018	(30626)	Sale	1469054	0.877
				31.12.2018	2	Purchase	1469056	0.877
				11.01.2019	(219437)	Sale	1249619	0.746
				18.01.2019	(22883)	Sale	1226736	0.732
				25.01.2019	(57079)	Sale	1169657	0.698
				01.02.2019	(205897)	Sale	963760	0.575
				08.02.2019	20	Purchase	963780	0.575
				15.02.2019	(95302)	Sale	868478	0.518
				22.02.2019	20	Purchase	868498	0.518
				01.03.2019	(10235)	Sale	858263	0.512
				08.03.2019	40	Purchase	858303	0.512
				15.03.2019	(77905)	Sale	780398	0.466
				22.03.2019	(147374)	Sale	633024	0.378
				29.03.2019	(29254)	Sale	603770	0.360
	Closing Balance						603770	0.360
13.	T. Rowe Price International Discovery Fund	1697678	1.019					
				11.05.2018	236844	Purchase	1934522	1.155
				31.08.2018	(30897)	Sale	1903625	1.136
				07.09.2018	(241318)	Sale	1662307	0.992
				14.09.2018	(484724)	Sale	1177583	0.703
				21.09.2018	(314260)	Sale	863323	0.515
				29.09.2018	(655636)	Sale	207687	0.124
				05.10.2018	(207687)	Sale	0	0.000
	Closing Balance						0	0
14.	Fidelity Investment Trust Fidelity International Discovery Fund	838105	0.503					
				30.06.2018	(112835)	Sale	725270	0.433
				06.07.2018	(59650)	Sale	665620	0.397
				13.07.2018	(71600)	Sale	594020	0.354
				12.10.2018	(594020)	Sale	0	0.000
	Closing Balance						0	0
15.	Wasatch International Growth Fund	762620	0.458					
				27.04.2018	(9868)	Sale	752752	0.449
				25.05.2018	(47562)	Sale	705190	0.421
				01.06.2018	(16439)	Sale	688751	0.411
				08.06.2018	(33654)	Sale	655097	0.391
				15.06.2018	(575607)	Sale	79490	0.047
				22.06.2018	(79490)	Sale	0	0.000
	Closing Balance						0	0

v. Shareholding of Directors and Key Management Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
1	Sanjaya Gupta, Managing Director	72073	0.04					
				03.05.2018	133269	Allotment under ESOP	205342	0.07
				08.05.2018	(72250)	Sale	133092	
	Closing Balance						133092	
2.	Kapish Jain, Chief Financial Officer	19	0.00	-	-	-	19	0.00
3.	Sanjay Jain, Company Secretary & Head Compliance	0	0.00					
				03.05.2018	15421	Allotment under ESOP	15421	0.00
				25.05.2018	(10000)	Sale	5421	0.00
				11.07.2018	(5421)	Sale	0	0.00
	Closing Balance						0	0.00

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹in crores)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
1.Principal amount	30,883.14	11,799.00	11,390.03	54,072.17
2.Interest due but not paid	-	-	-	-
3.Interest accrued but not due	272.59	-	196.17	468.76
<b>Total</b>	<b>31,155.73</b>	<b>11,799.00</b>	<b>11,586.20</b>	<b>54,540.93</b>
Change in indebtedness during the financial year	18,662.71	-2,410.30	2,729.30	18,981.71
At the end of the financial year				
1. Principal amount	48,657.84	9,388.70	14,097.61	72,144.15
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	1,160.60	-	217.89	1,378.49
<b>Total</b>	<b>49,818.44</b>	<b>9,388.70</b>	<b>14,315.50</b>	<b>73,522.64</b>

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of remuneration	Name of the Managing Director	Total amount (₹)
		Mr. Sanjaya Gupta	
1	Gross Salary		
a)	Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961		1,29,72,261
b)	Value of perquisites under section 17(2) of the Income tax Act, 1961		-
c)	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961		-
2	Stock Option*		
3	Sweat Equity		-
4	Commission as % of profit		-
5	Performance Bonus		1,00,00,000
	<b>Total (A)</b>		<b>2,29,72,261</b>
	<b>Ceiling as per Act</b>		<b>78,90,25,000</b>

\*Exclude value of perquisite on exercise of 1,33,269 stock options received during the year.

**B. Remuneration to other directors****(I) Independent Directors**

Particulars of remuneration	Mr. R Chandrasekaran	Mr. Shital Kumar Jain	Dr. Gourav Vallabh	Mr. Nilesh S Vikamsey	Mr. Ashwani Kumar Gupta	Mrs. Shubhalakshmi Panse	Total amount
Fee for attending Board/ Committee Meetings	6,40,000	8,90,000	7,00,000	6,20,000	9,10,000	5,30,000	42,90,000
Commission	15,00,000	15,00,000	15,00,000	15,00,000	12,50,000	10,00,000	82,50,000
Others	-	-	-	-	-	-	-
<b>Total (i)</b>	<b>21,40,000</b>	<b>23,90,000</b>	<b>22,00,000</b>	<b>21,20,000</b>	<b>21,60,000</b>	<b>15,30,000</b>	<b>125,40,000</b>
<b>II) Other Non-executive directors (Paid to PNB for its nominee directors)</b>							
Fee for attending Board/ Committee Meetings						5,70,000	5,70,000
Commission							-
Others							-
<b>Total (ii)</b>						<b>5,70,000</b>	<b>5,70,000</b>
<b>Total (B)=(i)+(ii)</b>							<b>131,10,000</b>
Total Managerial Remuneration							<b>3,60,82,261</b>
Overall Ceiling as per Act							<b>173,58,55,000</b>

**i) Remuneration to key Managerial Personnel other than MD**

Sr. No.	Particulars of remuneration	Key Managerial Personnel		Total
		Mr. Sanjay Jain, Company Secretary*	Mr. Kapish Jain, CFO	
1	Gross Salary			
	a) Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	43,73,324	79,58,678	1,23,32,002
	b) Value of perquisites under section 17(2) of the Income tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option*			
3	Sweat Equity			
4	Commission as % of profit			
5	Performance Bonus	12,48,048		12,48,048
	<b>Total</b>	<b>56,21,372</b>	<b>79,58,678</b>	<b>1,35,80,050</b>

\*Excludes value of perquisite on exercise of 15,421 stock options received during the year.

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fee	Authority (RD/NCLT/ Court)	Appeal made, if any(give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Date: 29<sup>th</sup> April, 2019

To,  
The Members,  
PNB Housing Finance Limited,  
9<sup>th</sup> Floor, Antriksh Bhawan,  
22, Kasturba Gandhi Marg,  
New Delhi- 110001

We have been appointed as Secretarial Auditor of the Company for conducting Secretarial Audit as per the provisions of the Companies Act, 2013 for the Financial Year 2018-19. We would like to inform that our report dated 29<sup>th</sup> April, 2019 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For Preeti Pahwa & Associates**

Sd/-

**Preeti Pahwa**

Practicing Company Secretary  
Certificate of Practice No.: 8263  
Membership No.: F-5846

*Preeti Pahwa & Associates*  
**Company Secretaries**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
PNB Housing Finance Limited,  
9<sup>th</sup> Floor, Antriksh Bhawan,  
22, Kasturba Gandhi Marg,  
New Delhi-110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PNB Housing Finance Limited** ("the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts or statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder, wherever and to the extent applicable, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records (except the provisional or unaudited financial statements for the above mentioned period) maintained by the Company for the above said financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015



*Preeti Pahwa & Associates***Company Secretaries**

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- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and
  - f. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

We have further analyzed that the following Regulations and Guidelines prescribed under the SEBI Act are not applicable for the period under review:

- a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

We have also examined the compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with the National Stock Exchange (“Stock Exchange”) with respect to Non Convertible Debentures listed on the Stock Exchange;
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange & BSE Limited (“Stock Exchanges”), respectively with respect to Equity Shares listed on the Stock Exchanges;
- (iii) The Secretarial Standards on Board meetings (SS-I) and Secretarial Standards on General Meetings (SS-II), as issued by the Institute of Company Secretaries of India; and
- (iv) The Memorandum and Articles of Association of the Company

We further report that we have also examined the requisite compliance of the following laws as specifically applicable to the Company:

- (i) National Housing Bank Act, 1987;
- (ii) The Housing Finance Companies (NHB) Directions, 2010;
- (iii) Master Circulars on issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014;
- (iv) National Housing Bank circulars, notifications & guidelines; and
- (v) Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

*Preeti Pahwa & Associates***Company Secretaries**

We further report that adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 7 days in advance, and the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that the resolutions were passed at all the meetings by the requisite majority and there were no instances of the dissent which were required to be captured and recorded as part of the minutes.

We further report that the systems and processes in the Company are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following key corporate actions were held during the financial year 2018-19:

- (i) Issuance of Secured Non Convertible Debentures aggregating to Rs. 1440.7 Crores on private placement basis
- (ii) Allotment of 882,534 equity shares under Employee Stock Option Scheme
- (iii) Availed External Commercial Borrowings amounting to USD 200 million

**For Preeti Pahwa & Associates**

Sd/-

**Preeti Pahwa**

Practicing Company Secretary

Certificate of Practice No. 8263

Membership No. F-5846

Place: Gurugram

Date: 29<sup>th</sup> April, 2019

# Annexure to Directors' Report - 4

## REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Good corporate governance is the core of Company's philosophy. The Company has long term relationship with its valued depositors, business partners and its financiers. The Company has been following principles of transparency and adequacy in all the disclosures through Annual Reports, financial results and other public documents. The Company believes in maximising its shareholders' value following transparency and fairness towards all its stakeholders viz. customers, business partners, investors, human capital, the government and the society. The Company practices ethical standards in all its dealings.

The Company will continue to maintain high standards in corporate ethics, transparent disclosure, accountability and integrity. The Company's policies are key to high standards of corporate governance. The Company will continue to follow all the applicable laws, regulatory guidelines and changes, which will come into effect from time to time.

The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended by SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

The following is the Board's report on corporate governance.

### BOARD OF DIRECTORS

The Board is overall responsible to oversee the Company management and to protect the long-term interests of the stakeholders.

### LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS AND SECTOR WHICH ENABLES IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD

The Board should provide valuable leadership and guidance to the Company. The directors should possess extensive

knowledge of the operations of the Company and the people involved. The Company deals with mortgages and operates in the financial sector. The Board should possess the wisdom of various lifecycles of the financial sector, the key challenges being faced, the competition, it should have the required experience with credit cycles, workouts and remedial management. The Board with its collective wisdom should provide oversight to the Company during the challenging times.

The Company's board has people with extensive experience in the financial sector, mortgages, banking, credit and information technology. The directors are highly qualified and have held leadership positions in high performing banks and companies. They are fully equipped to provide leadership and guidance to the Company in its quest to achieve growth and quality of business and attain leadership position in the mortgage industry. The brief profiles of directors are given in the Annual Report.

### COMPOSITION

As on March 31, 2019, the Board consists of ten members comprising six independent directors, three non-executive directors (including the Chairman) and one Managing Director. The Board appointed Mr. Neeraj Vyas, independent Director on April 15, 2019. None of the directors are related to each other. The independent directors meet the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the LODR and the provisions of Section 149(6) of the Companies Act, 2013.

The composition of the board is in conformity with Regulation 17 of the LODR and Section 149 of the Companies Act, 2013. During the financial year, Mr. L V Prabhakar was appointed as non-executive Director and Mr. Jayant Dang resigned from the Board due to personal reason. Details of the Board of Directors in terms of their directorships/memberships in committees of public companies (including PNB Housing Finance Limited) as per Regulation 26 of LODR is given hereunder:

Sr. No.	Directors			Number of Directorships*	Name of Listed Companies and Designations	Number of Committees**	
		Category	DIN			Member	Chairperson
1	Mr. Sunil Mehta	Non-Executive Director Nominee Director of Punjab National Bank as equity shareholder	07430460	6	1. Punjab National Bank – MD and CEO 2. PNB Housing Finance Limited – Chairman and Non-Executive Director 3. PNB Gilts Limited - Chairman and Non-Executive Director	-	-
2	Mr. L. V Prabhakar (Appointed w.e.f. August 9, 2018)	Non-Executive Director Nominee Director of Punjab National Bank as equity shareholder	08110715	3	1. Punjab National Bank – Executive Director 2. PNB Housing Finance Limited – Non-Executive Director	2	-
3	Mr. Sunil Kaul	Non-Executive Director  Nominee Director of Quality Investment Holdings as equity shareholder	05102910	1	1. PNB Housing Finance Limited – Non-Executive Director	-	-
4	Mr. Shital Kumar Jain	Independent Director	00047474	2	1. PNB Housing Finance Limited – Independent Director 2. R S Software (India) Ltd. – Independent Director	2	2
5	Mr. Nilesh S Vikamsey	Independent Director	00031213	10	1. Navneet Education Limited – Non-Executive Director 2. Thomas Cook (India) Limited – Independent Director 3. The Federal Bank Ltd – Independent Director 4. PNB Housing Finance Limited – Independent Director 5. IIFL Holdings Limited – Independent Director 6. SBI Life Insurance Company Limited – Independent Director	10	2
6	Mr. R Chandrasekeran	Independent Director	00580842	1	PNB Housing Finance Limited – Independent Director	-	-
7	Dr. Gourav Vallabh	Independent Director	02972748	1	1. PNB Housing Finance Limited – Independent Director	1	-
8	Mrs. Shubhalakshmi Panse	Independent Director	02599310	8	1. Sudarshan Chemical Industries Limited – Independent Director 2. Cholamandalam Financial Holdings Limited – Independent Director 3. The Federal Bank Ltd – Independent Director 4. PNB Housing Finance Limited – Independent Director 5. Atul Limited – Independent Director	7	3
9	Mr. Ashwani Kumar Gupta	Independent Director	00108678	4	1. Dhampur Sugar Mills Limited – Independent Director 2. PNB Housing Finance Limited – Independent Director	3	1
10	Mr. Neeraj Vyas (Appointed w.e.f. April 15, 2019)	Additional Director (Independent)	07053788	1	PNB Housing Finance Limited – Independent Director	-	-
11	Mr. Sanjaya Gupta	Managing Director	02939128	2	1. PNB Housing Finance Limited – Managing Director	2	1
12	Mr. Jayant Dang (Ceased to be a Director w.e.f. July 20, 2018)	Independent Director	01262335	NA	NA	NA	NA

\*Excluding foreign companies, private limited companies and companies under section 8 of the Companies Act, 2013.

\*\*Audit Committee and Stakeholders Relationship Committee.

### RESPONSIBILITIES

The Board is responsible for the long term strategic planning and direction of the Company. It is responsible for the long-term value of the shareholders, to protect the interest of all other stakeholders and to provide guidance to the management with strategic direction. The Board functions through its various committees, which have been assigned various roles and responsibilities. These committees closely monitor the performance of the Company.

The Board regularly reviews Company's overall performance at regular interval. The Board has a formal schedule of matters reserved for its consideration and decision, apart from legally required matters.

### ROLE OF INDEPENDENT DIRECTORS

Company's independent directors are persons of eminence from diverse fields in finance, accountancy, economics, credit, risk management and information technology. They play an important role on the Board and on the various committees of the Board. They provide inputs to the Board and help the Board in arriving at decisions on matters of strategic importance.

The independent directors ensure that all the matters brought to Board and its committees are adequately discussed and decisions are arrived at in the best interest of the Company. An independent director has been nominated as the chairman on all the committees, namely Audit, Nomination and Remuneration, Credit, Risk Management and Corporate Social Responsibility committees. The Audit Committee consist entirely of independent directors.

All the committees of the Board function within the defined terms of reference in accordance with the Companies Act, 2013 and the LODR and as approved by the board.

### APPOINTMENT OF INDEPENDENT DIRECTORS

The independent directors have been appointed for a five years term as under;

- Mr. Shital Kumar Jain was appointed on August 8, 2014
- Mr. R Chandrasekaran was appointed on October 7, 2015
- Mr. Nilesh S Vikamsey was appointed on April 22, 2016
- Dr. Gourav Vallabh was appointed on April 22, 2016
- Mr. Ashwani Kumar Gupta was appointed on May 12, 2017
- Mrs. Shubhalakshmi Panse was appointed on July 7, 2017.

Mr. Neeraj Vyas was appointed on April 15, 2019 as an Additional Director on the Board.

The independent directors are not liable to retire by rotation.

A formal letter of appointment was issued to the independent directors in terms of the provisions of the Companies Act, 2013. A copy of the letter detailing the terms and conditions of appointment of the independent directors has been placed on the Company's website, [www.pnbhousing.com](http://www.pnbhousing.com).

### FAMILIARISATION PROGRAMME

The main objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business and regulatory environment and the overall operations of the Company to make informed decisions in everybody's interest. All the independent directors have been taken through familiarisation programme about the Company, its business environment, competitors, Company's portfolio etc.

The Company has a policy on familiarisation programme for the independent directors, which is placed on the website of the Company.

### BOARD MEETINGS

Board Meetings are normally held at PNB's Head Office at New Delhi. Board meetings are scheduled well in advance and the notice of each Board meeting is given through electronic mode to every director. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company.

The Company Secretary in consultation with the Managing Director prepares the detailed agenda for the meetings. The detailed Board agenda is circulated to the directors well in advance. The members of the Board can also recommend inclusion of any matter in the agenda for discussion. The senior management attends the Board meetings to provide additional inputs to the items being discussed by the Board. The minutes of each Board meeting are finalised and recorded in the minute book maintained by the Company Secretary.

During the year under review, the Board has met eight times. The meetings were held on May 3, 2018, June 26, 2018, July 27, 2018, August 9, 2018, November 5, 2018, January 24, 2019 and March 19, 2019 (two meetings). The attendance of the directors at the Board meetings and the 30th Annual General Meeting held on July 27, 2018 are listed below:

Directors	Board Meetings	Attendance at the 30th AGM	Sitting fee paid*
Mr. Sunil Mehta	6	Yes	*
Mr. L V Prabhakar (Appointed as Director with effect from August 9, 2018)	3	NA	*
Mr. Sunil Kaul	8	Yes	-
Mr. Shital Kumar Jain	7	Yes	3,50,000
Mr. R Chandrasekaran	8	Yes	4,00,000
Mr. Nilesh S Vikamsey	7	Yes	3,50,000
Dr. Gourav Vallabh	8	Yes	4,00,000
Mr. Ashwani Kumar Gupta	8	Yes	4,00,000
Mrs. Shubhalakshmi Panse	7	Yes	3,50,000
Mr. Sanjaya Gupta, Managing Director	8	Yes	-
Mr. Jayant Dang (Ceased to be a Director from July 20, 2018)	2	No	1,00,000

\*The sitting fees of ₹50,000/- for attending each Board meeting was paid to the independent directors. The sitting fee of Mr. Sunil Mehta and Mr. L V Prabhakar was paid to the Punjab National Bank.

## COMMITTEES OF THE BOARD

The Board has delegated powers to various Committees. Each of the Board's Committee has been delegated with specific responsibilities/ matters as per the provisions of the Companies Act, 2013, SEBI, LODR and as per the business requirements. The minutes of every Committee meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee meetings are also placed before the Board.

The various committees, their roles and their members are;

### Audit Committee

The Audit Committee has three independent directors; Mrs. Shubhalakshmi Panse, Chairperson, Dr. Gourav Vallabh and Mr. Nilesh S Vikamsey.

The Charter of the Audit Committee is as per section 177 of the Companies Act, 2013 and LODR. The main role of the Audit Committee is;

- The Audit Committee assist the Board in fulfilling its oversight responsibilities for the financial reporting process to regulatory authorities, public, it oversees the system of internal control, the audit process, and the Company's process for monitoring compliance with laws and regulations and the code of conduct.
- It reviews quarterly, half yearly and yearly financial statements as prepared by the Company before submission to the Board.
- It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- As per Related Party Policy, it approves related party transaction.
- It reviews the functioning of whistle blower mechanism.
- It recommends the appointment of statutory and internal auditor.

The Audit Committee calls members of senior management as it considers appropriate to be present at the meetings of the Committee. The Statutory Auditors also attend the meeting

of the Audit Committee. The Audit Committee discuss with the Statutory Auditors their findings on the working of the Company without the presence of management.

During the year, the Audit Committee had met four times on May 2, 2018, August 8, 2018, November 5, 2018 and January 24, 2019. The details of attendance at the Audit Committee meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mrs. Shubhalakshmi Panse (Inducted member and chairperson of Audit Committee w.e.f. August 9, 2018)	2	60,000
Dr Gourav Vallabh	4	1,20,000
Mr. Nilesh S Vikamsey	3	90,000
Mr. R Chandrasekaran (Ceased to be member of Committee with effect from August 9, 2018)	2	60,000

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors.

Leave of absence was granted to the concerned directors who could not attend the meetings.

### Nomination and Remuneration Committee (NRC)

The NRC has four directors; Mr. Nilesh S Vikamsey, Chairman, Mr. L V Prabhakar, Mr. Sunil Kaul and Mr. R Chandrasekaran. The Committee has been delegated powers, roles and responsibilities as required under section 178 of the Companies Act, 2013 and as per Listing Regulations.

The NRC formulate criteria for determining qualifications, positive attributes and independence of a director. It recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employees. It identifies persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The annual compensation package of the Managing Director is recommended by the NRC to the Board. The NRC approves compensation package of all the functional heads.

During the year, the NRC had met five times on June 25, July 27, August 30, September 24, 2018 and March 19, 2019. The details of attendance at the NRC meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. Shital Kumar Jain (Ceased to be member of committee w.e.f. August 9, 2018)	2	60,000
Mr. Sunil Kaul	5	-
Mr. Nilesh S Vikamsey	4	1,20,000
Mr. R Chandrasekaran (Inducted member of the Committee w.e.f. August 9, 2018)	3	90,000
Mr. L V Prabhakar (Inducted member of the Committee w.e.f. August 9, 2018)	3	-*

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

Leave of absence was granted to the concerned director who could not attend the meetings.

#### Corporate Social Responsibility Committee (CSR)

The CSR Committee has four directors; Mr. R Chandrasekaran, Chairman, Mr. L V Prabhakar, Mr. Ashwani Kumar Gupta and Mr. Sanjaya Gupta. It oversees Corporate Social Responsibilities of the Company and approve project wise budget of CSR. The Board has approved Charter for CSR activities.

It also oversees the functioning of Executive Committee of CSR Management.

During the year, the CSR Committee has met two times on August 30, 2018 and March 20, 2019. The details of attendance at the CSR meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. R Chandrasekaran	2	60,000
Mr. L V Prabhakar (Inducted member w.e.f. August 9, 2018)	1	*
Mr. Ashwani Kumar Gupta (Inducted member w.e.f. August 9, 2019)	2	60,000
Mr. Sanjaya Gupta	2	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

Leave of absence was granted to the concerned directors who could not attend the committee meetings.

#### Stakeholders Relationship Committee (SRC)

It comprises of four directors; Mrs. Shubhalakshmi Panse, Chairperson, Mr. Ashwani Kumar Gupta, Mr. Sunil Kaul and Mr. Sanjaya Gupta.

It oversees the investors' grievances, investor relations, recommend to the Board raising of equity share capital and allotment of shares.

During the year, the SRC has met three times on May 3, 2018, August 9, 2018 and March 20, 2019.

Directors	Number of meetings attended	Sitting fee*
Mr. Ashwani Kumar Gupta	3	90,000
Mrs. Shubhalakshmi Panse	2	60,000
Mr. Nilesh S Vikamsey (Inducted member w.e.f. August 9, 2018 and ceased to be a member w.e.f. December 26, 2018)	1	30,000
Mr. Sanjaya Gupta	3	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. Mr Sunil Kaul was inducted w.e.f. March 27, 2019

Leave of absence was granted to the concerned directors who could not attend the committee meetings.

The status of shareholders' complaints during FY 2018-19, is mentioned below:

Complaints received during the year (in Nos.)	Complaints resolved during the year (in Nos.)	Complaints pending at the end of the year (in Nos.)
1	1	-

#### Risk Management Committee

The Risk Management Committee has five directors; Dr. Gourav Vallabh, Chairman, Mr. L V Prabhakar, Mr. Shital Kumar Jain, Mr. Sunil Kaul and Mr. Sanjaya Gupta. The Board has approved Risk Management Policies of the Company. The Committee oversee and reviews various aspects of risk management and review the major risk exposures of the Company. It assist the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Committee has met four times during the year on June 25, 2018, October 8, 2018, January 10, 2019 and February 21, 2019.

Directors	Number of meetings attended	Sitting fee*
Dr. Gourav Vallabh	4	1,20,000
Mr. Shital Kumar Jain	3	90,000
Mr. Sunil Kaul	4	-
Mr. Jayant Dang (inducted member w.e.f. May 3, 2018 and ceased to be a member w.e.f. July 20, 2018)	1	30,000
Mr. L V Prabhakar (inducted member w.e.f. August 9, 2018)	2	*
Mr. Sanjaya Gupta	4	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

#### Credit Committee (CCB)

The Credit Committee has four directors; Mr. Shital Kumar Jain, Chairman, Mr. Ashwani Kumar Gupta, Mr Neeraj Vyas (w.e.f. May 9, 2019) and Mr. Sanjaya Gupta. The Board has delegated powers to sanction loans to the Committee. It formulates credit policy parameters for loans to various segments, review the feedback mechanism to policy to improve and to maximise risk/ return matrix. The CCB reviews the credit performance and collection effectiveness of the portfolio.

During the year, the CCB had met sixteen times on April 13, 2018, May 10, 2018, June 14, 2018, July 17, 2018, August 2, 2018, August 14, 2018, August 31, 2018, September 11, 2018, September 19, 2018, October 4, 2018, November 29, 2018,

December 17, 2018, December 28, 2018, January 10, 2019, January 29, 2019 and March 25, 2019. The details of attendance at the CCB meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. Shital Kumar Jain	12	3,60,000
Mr. Jayant Dang (inducted member w.e.f. May 3, 2018 and ceased to be member w.e.f. July 20, 2018)	3	90,000
Mr. Ashwani Kumar Gupta (inducted member w.e.f. August 9, 2018)	11	3,30,000
Mr. Sanjaya Gupta	15	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors.

### MEETING OF INDEPENDENT DIRECTORS

The independent directors met on May 3, 2018 without the presence of non-independent directors. The independent directors have evaluated the performance of Chairperson of the Board, non-independent directors and of the Board during the year and quality of board performance, timeliness of flow of information with the Board.

Details of ESOP Options of Managing Director:

Name	Grant Date	Options Granted	Vesting Period	No. of options exercised
Sanjaya Gupta	April 22, 2016	5,33,076	25% each for 4 years from the date of grant	2,66,538
Sanjaya Gupta	July 27, 2018	1,20,000	<ul style="list-style-type: none"> <li>• 15% at the end of second year from the Grant date</li> <li>• 28% at the end of third year from the Grant date</li> <li>• 28% at the end of fourth year from the Grant date</li> <li>• 29% at the end of fifth year from the Grant date</li> </ul>	-

### BOARD EVALUATION

Board's evaluation process has been adopted by the Company in terms of the Companies Act, 2013 and the circular issued by the SEBI. It applies to all the Directors of the Company. Its main objectives are to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess the balance of skills, knowledge and experience on the Board.

The Board evaluation process involve, evaluation of the whole Board, which is to be done by all the Members of the Board; evaluation of the Committees of the Board, which is to be done by all the Members of the respective Committee; and evaluation of the individual which is carried out by the Nomination and Remuneration Committee.

The Board Evaluation Process is a questionnaire based assessment, which has set broad parameters for evaluation of the Board, Committee of the Board and Board Members. The NRC takes feedback from the directors through structured questionnaires.

### REMUNERATION OF DIRECTORS

#### Non-Executive Directors

Only independent directors are paid sitting fees and commission on net profits as approved by the shareholders of the Company. During the year under review, the sitting fees payable to independent directors for attending meetings of the Board of Directors of the Company was ₹50,000 per board meeting. The sitting fees for attending the meetings of committees of Board was ₹30,000 per meeting. The Commission payable to all the independent directors is restricted to 0.25% of the net profits of the Company.

Details of sitting fees and commission paid during the financial year is provided in the Form MGT-9 which forms part of the Directors' Report.

#### Managing Director

The Managing Director of the Company has been appointed for 5 years with effect from May 5, 2015. The remuneration of the Managing Director is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the remuneration is to ensure that it is aligned to the overall performance of the Company. The remuneration package of the Managing Director comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. The Board in terms of authority delegated by the shareholders has approved the current remuneration of the Managing Director with effect from July 1, 2018.

Details of remuneration paid/payable to the Managing Director during the year under review is provided in Form MGT-9.

The independent directors review the performance of the non-executive directors, the Chairman and the whole Board.

### INVESTOR GRIEVANCES

In accordance with the Listing Regulations, the Board has appointed Mr. Sanjay Jain, Company Secretary, as the Compliance Officer of the Company.

During the year, one complaint was received from an investor. The complaint was related to non-receipt of Annual Report. The same has been closed.

### SUBSIDIARY COMPANIES

The Company has a wholly owned subsidiary "PHFL Home Loans and Services Limited" incorporated on August 22, 2017. The Company is a distribution arm for PNB Housing, offering doorstep services to the prospective customers.

### EMPLOYEE STOCK OPTION SCHEME (ESOS)

The disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company.



### PROCEEDS FROM PRIVATE PLACEMENT OF DEBT ISSUES

During the year, the Company has raised ₹1101 crores of secured NCDs through private placements in 6 series and ₹39.70 crores of un-secured subordinated NCDs through private placements in 2 series. As specified in the respective offer documents, the funds were utilised for onward lending.

### TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

The non-executive directors of the Company do not have any pecuniary relationship or transactions with the Company.

### SHAREHOLDING OF DIRECTORS

The details of shareholding of directors are disclosed in MGT-9 form.

### PREVENTION OF INSIDER TRADING

The Board has adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Share Dealing Code for Prevention of Insider Trading in terms of SEBI (Prevention of Insider Trading) Regulations, 2015. The code has been amended recently in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, (Amendments), 2018.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to designated employees and directors of the Company.

### CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board members and designated employees of the Company. The Code of Conduct is posted on the website of the Company. For the year under review, all directors and members of management have affirmed their adherence to the provisions of the Code.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has approved the vigil mechanism/whistle blower policy of the Company, which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise concern about serious irregularities within the Company. The Audit Committee oversees the vigil mechanism and employees have access to the Audit Committee. The policy is placed on the website of the Company.

### RISK MANAGEMENT

The Company has implemented a comprehensive Enterprise Risk Management Policy along with functional level risk management policies covering the following policies;

The "Integrated Risk Management" (IRM) policy provides broad direction to all activities, associated with risk management including credit, market and operational risk management and other risks. It defines the governance model and fixes the role and responsibility of each constituents of risk management framework.

The credit risk management policy facilitates the Company to take appropriate risks to achieve its business objectives within the acceptable level of risk tolerance. The Credit Risk policy sets out the principles, standards and approach for

credit risk management at the Company level and details a comprehensive framework to identify, assess, measure, monitor, control and report credit risks in a timely and efficient manner.

The Assets Liability Management Policy provides for liquidity management, management of interest rate risk and other objectives such as a return on average assets, return on average equity, tier 1 leverage ratio, total risk-based capital ratio and NIM on average interest earning assets.

The objective of Market Risk Policy is to assist in maximising the risk adjusted rate of return by providing inputs regarding market risk profile and portfolio performance, establish the guidelines to manage the market risks identified, to ensure risks are measured and monitored and to establish limit framework and ensure that positions taken are within the approved risk tolerance limits.

The Stress Testing policy defines different types of stress tests such as, Regular and Ad-hoc stress tests in scenarios for Liquidity, Market, Credit and Operational risks.

The objective of IT policy is to maximise IT value and promote the most productive usage of IT products and services. The objective of Information Security policy is to ensure that appropriate measures are put in place to protect corporate information and IT systems, services & equipment.

In the opinion of the Board, none of the risks faced by the Company threaten its existence.

### GENERAL PROCEDURE FOR POSTAL BALLOT

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders at the addresses registered with the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the scrutiniser appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutiniser;
- The Scrutiniser submits his report to the Chairman/ authorised person of the Company, who based on the report announces the results; and
- e-voting facility is provided to the shareholders. Under this facility, the shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

### TOTAL FEES PAID TO STATUTORY AUDITORS BY COMPANY AND ITS SUBSIDIARY FOR ALL THE SERVICES DURING FY 2018-19

During the year, the statutory auditors were paid audit and other fees, including out of pocket expenses of ₹63 lakhs.

### DISCLOSURES

#### Related party transactions

The policy on Related Party Transactions as approved by the Board is available on the Company's website. There were no material transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length are included in the notes forming part of the financial statements.

There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large. During the year, the Company has obtained credit facility viz. term loans, Overdraft, ECB and entered into securitisation of loans with Punjab National Bank. All the transactions were in the ordinary course of business and at arm's length. The Company has placed a resolution in the forthcoming AGM for ratification and continuation of banking transactions with PNB.

The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website [www.pnbhousing.com](http://www.pnbhousing.com)

#### Accounting Standards / Treatment

The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP').

#### Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

#### Annual General Meetings

The Annual General Meetings for the last 3 years were held on August 3, 2016 at 04.30 p.m., August 2, 2017 at 3.00 p.m. and July 27, 2018 at 3.00 p.m. The first AGM was held at PNB House, Board Room, 7 Bhikaiji Cama Place, New Delhi and the last two AGMs were held at India Habitat Centre, Lodhi Road, New Delhi. Eight special resolutions were passed at the previous three Annual General Meetings.

During the year, no resolution was passed through postal ballot. As of now, no special resolution is proposed to be passed through postal ballot.

#### Dematerialisation of shares

All the shares of the Company are available for trading with National Securities Depository Ltd. (NSDL) and with Central Depository Services (India) Limited (CDSL). The ISIN allotted to Company's equity shares is INE572E01012. As at March 31, 2019, except 16 shares, remaining equity shares of the Company are held in dematerialised form.

The Company has paid the listing fees for the year 2019-20 as per the listing agreement with the respective stock exchanges.

#### Shareholders Relations

The Company has 90,522 shareholders as on March 31, 2019. The main source of information for the shareholders is the Annual Report that includes, the Directors' Report, the shareholders' information and the audited financial results. The Annual Report has information on Report of Directors on Corporate Governance and Management Discussion and Analysis Report. Shareholders are intimated through the press, email and Company's website, [www.pnbhousing.com](http://www.pnbhousing.com) about the quarterly performance and financial results of the Company. Shareholders will get an opportunity to attend the Annual General Meeting where the business outlook will be presented and Company's operations can be discussed.

In addition, the Corporate Office as well as the Registrar's Office (RTA), serves as a contact point for shareholders.

Since listing, along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on the BSE website under "BSE Listing Centre" and on the NSE website under "NSE Electronic Application Processing System (NEAPS)". Post listing, the presentation on quarterly results and performance of the Company is placed on the website of the Company and furnished to stock exchanges for the benefit of the investors.

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 as amended and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing regulations and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/ Depository participant. Accordingly, the annual report for FY 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on 'Shareholders' Information' which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015.

The Board has appointed CFO as Chief Investor Relation Officer of the Company.

#### MEANS OF COMMUNICATION

In accordance with the Listing Regulations, the quarterly/half-yearly/annual results are submitted to the National Stock Exchange and Bombay Stock Exchange and published in leading business newspapers.

The official press releases are posted on Company's website ([www.pnbhousing.com](http://www.pnbhousing.com)). Company's website has helped to keep the investors updated on material developments about the Company such as; Board profile, press release, financial results, annual reports, shareholding pattern, stock information, announcements, investor presentations etc.

The Company has conducted Earning's Calls post announcement of quarterly/half-Yearly/ annual results, which were well attended by the analysts/ investors and the transcripts were uploaded on Company's website.

#### CERTIFICATION OF FINANCIAL REPORTING AND INTERNAL CONTROLS / (CEO/CFO CERTIFICATE)

In accordance with SEBI (LODR) Regulations, 2015, Mr. Sanjaya Gupta, the Managing Director and Mr. Kapish Jain, the CFO of the Company, have inter alia, certified and

confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

### NON-MANDATORY REQUIREMENTS

The Company is moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

### COMPLIANCE

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

### STRICTURES AND PENALTIES

During the year, no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets.

### SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

### DECLARATION ON CODE OF CONDUCT

I confirm that for the year under review directors and senior management have affirmed compliance with the code of conduct of Board of Directors and senior management.

New Delhi  
May 27, 2019

Managing Director

### EXTRACTS FROM POLICY ON RELATED PARTY TRANSACTIONS

#### 1. Manner of dealing with Related Party Transaction

##### 1.1. Identification of Related Parties and Related Party Transactions:

1. Every Director and/or Key Managerial Personnel of the Company shall disclose to the Company Secretary of the Company in form MBP-1, at the time of his appointment, in beginning of every financial year and wherever there is any changes in the disclosures so made, about all persons, entities, firms, or other organisations in which he/ she is interested, whether directly or indirectly.
2. The Chief Financial Officer will be responsible for providing prior notice to the Company Secretary of any potential Related Party Transaction. He will also be responsible for providing additional information about the transaction that may be required, for placing before the Audit Committee, the Board or shareholders, as the case may be.
3. The suggested details and list of records and supporting documents which are required to be provided to the Audit Committee or Board of the Company for the proposed Related Party Transaction are provided in Annexure to this Policy.

4. If required, the Company may refer any potential Related Party Transaction to any external legal consultant/ expert for obtaining his/ her opinion on any legal/ regulatory issues involved in the potential Related Party Transaction and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee.

#### 1.2. Approval Mechanism for Related Party Transaction

##### 1.2.1. Approval by the Audit Committee

All Related Party Transactions shall require PRIOR approval of the Audit Committee.

##### Omnibus approval of Related Party Transactions:

In the case of repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval. While granting omnibus approval, the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and such approval shall be in the interest of the Company.

##### Criteria for making the omnibus approval:

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall inter alia include the following, namely:-

- a. Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- b. The maximum value per transaction which can be allowed;
- c. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- d. Review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each of the omnibus approval made;
- e. Transactions which cannot be subject to the omnibus approval by the Audit Committee.

The omnibus approval granted by the Audit Committee shall indicate the following:-

- a. Name of the Related Party/ parties;
- b. Nature and duration of the transaction;
- c. Maximum amount of transaction that can be entered into;
- d. The indicative base price or current contracted price and the formula for variation in the price, if any; and
- e. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Where need of the Related Party Transaction cannot be foreseen and above details are not available, the Audit Committee may grant omnibus approval subject to the value per transaction shall not exceed by ₹1,00,00,000/- (Rupees One Crore Only).

Provided that in case of transaction, other than Specified Transactions, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

The omnibus approval provided by the Audit Committee shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of such financial year.

### 1.2.2. Approval by the Board

The Board shall approve the Related Party Transaction if:

- a. It is a Specified Transaction with such Related Party/ parties as defined under Section 2(76) of the Act and aforesaid transaction is not in the ordinary course of business or not at Arm's Length Basis; or
- b. The Audit Committee determines that a Related Party Transaction should be brought before the Board; or
- c. The Board in any case elects to review any Related Party Transaction suo moto.

Provided that in case of a transaction falling under Point no. (a) above, prior approval of the Board shall be required.

### 1.2.3. Approval by the Members

- A. The prior approval of the shareholders by way of an ordinary resolution shall be required in respect of Specified Transaction(s) with Related Party(ies) as defined under Section 2(76) of the Act and exceeds the following threshold limits;

S. No.	Nature of the Transaction	Threshold Limit
i.	Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the Company or ₹100 crores, whichever is lower.
ii	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	Amounting to 10% or more of the net worth of the Company or ₹100 crores, whichever is lower.
iii	Leasing of property of any kind.	Amounting to 10% or more of the turnover or 10% or more of the net worth of the Company, or ₹100 crores, whichever is lower.
iv	Availing or rendering of any services, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the Company or ₹50 crores, whichever is lower.
v	Appointment of any Related Party to any office or place of profit in the Company, its subsidiary company or associate company.	Monthly remuneration exceeding two and half lakh rupees.
vi	Underwriting the subscription of any securities or derivatives thereof, of the Company.	Remuneration for underwriting exceeding 1% of the net worth of the Company.

The limits specified in point no. (i) to (iv) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

The turnover or net worth as mentioned in point no. (i) to (iv) above shall be computed on the basis of audited financial statement of the Company on standalone basis for the preceding financial year.

Provided further that no member of the Company shall vote on above stated ordinary resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party:

- B. All Material Related Party Transactions shall require approval of the shareholders by way of an ordinary resolution. No Related Party(ies) shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

### 1.3. Consideration by the Audit Committee/ Board in approving the proposed transactions

The Audit Committee/ Board shall take into account all relevant facts and circumstances including the terms of the transaction, purpose of the transaction, benefits to the Company and benefit to the Related Party and any other relevant matters.

The Audit Committee/ Board shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a) Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c) Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed transaction; and
- d) Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company.

### 1.4. Related party transactions not previously approved

In the event of any Director, Key Managerial Personnel or any other employee becoming aware of any Related Party Transaction(s) that has been omitted to be approved by the Audit Committee/ Board/ Members, as the case may be or is in deviation of this Policy, such person shall promptly inform to the Company Secretary about such transaction and such transaction shall be placed before the Audit Committee, Board or members, as may be required in accordance with this Policy for review and approval. The Audit Committee, Board or members, as the case may be, shall consider all relevant facts and circumstances and may decide necessary actions as it may consider appropriate including ratification, revision, or termination of such transaction.

## 2. Disclosures

- i. As required under Section 188 of the Act read with the Rules made thereunder, all the Specified Transactions with related party(ies) as defined under the Act, which are not on arm's length basis or are material in nature, shall be disclosed in the Board's Report of the Company.
- ii. The Company Secretary shall also make necessary entries in the Register of Contracts or Arrangement required to be maintained under the Act.
- iii. Details of all Material Related Party Transactions with its Related Parties shall be disclosed in the quarterly compliance report on corporate governance as per the provisions of SEBI Listing Regulations.
- iv. In addition to the above, on and after April 01, 2019, Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of Related Party Transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

## 3. Non Applicability

Notwithstanding anything contained anywhere else in this policy, following shall be exempted from the purview of this policy:

### a) Approval of Audit Committee

Approval of Audit Committee shall not be required for any transaction which have been entered into by the Company with its wholly owned subsidiary of whose accounts are consolidated with Company and placed before the Annual General Meeting for

approval. Provided that approval of Audit Committee shall be required in case of Specified Transaction between the Company and its wholly owned subsidiary company.

### b) Approval of Board

Approval of Board of Directors shall not be required for the transaction entered into by the Company with its wholly owned subsidiary or with any other party, if such transaction is in the ordinary course of business and on an arm's length basis.

Provided that in case of transaction, other than Specified Transactions, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board then the Board shall review and approve such transaction.

### c) Approval of members

Approval of members shall not be required in following cases:

- i. Any transactions entered into by the Company with its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval; or
- ii. Any transaction entered into by the Company in its ordinary course of business and on Arm's Length Basis. However, approval of members shall be required in case of Material Related Party Transaction irrespective of the fact that such transactions is in ordinary course of business and on an arm's length basis.

## GENERAL SHAREHOLDER INFORMATION

Pursuant to Point 9 of para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

### 31st Annual General Meeting

Date: Monday, July 29, 2019  
Time: 3.00 p.m.  
Venue: "The Stein Auditorium" Habitat World, at India Habitat Centre, Lodhi Road New Delhi-110003

### Financial Year

The Company follows Financial year starting from April 1 of every year and ending on March 31 of the following year.

### Dividend Payment

The Board of Directors of Company has declared a dividend of ₹9/- per share in its Board Meeting held on May 9, 2019.

Company will pay its dividend within 30 days of its approval in the Shareholders' Meeting.

Record Date for payment of dividend is mentioned in the notice convening the AGM.

### Listing on Stock Exchange

Equity Shares of PNB Housing Finance Limited is listed on the below mentioned Stock Exchanges

Stock Exchange	National Stock Exchange	BSE Limited (BSE)
Address	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
Telephone number	+91 22 2659 8100/114	+91 22 2272 1233/34
Website	www.nseindia.com	www.bseindia.com
Scrip Code	PNBHOUSING	540173

The NCDs of PNB Housing are listed on National Stock Exchange.

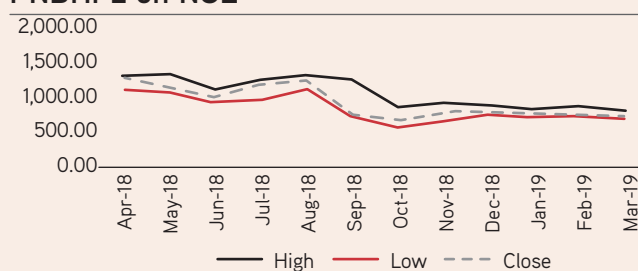
The Company confirms payment of Annual Listing fees of the NSE and the BSE for Financial year 2019-20.

### Stock Market Price Data

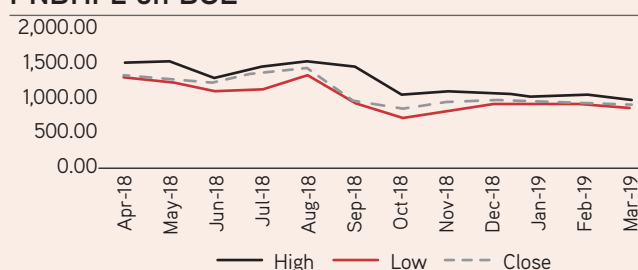
Month	NSE		BSE	
	High	Low	High	Low
Apr-18	1420.40	1219.70	1,421.50	1,221.50
May-18	1440.00	1183.00	1,444.00	1,188.20
Jun-18	1244.00	1051.00	1,244.00	1,051.00
Jul-18	1363.00	1083.35	1,366.00	1,085.15
Aug-18	1428.40	1243.00	1,428.50	1,245.00
Sep-18	1377.50	854.00	1,370.00	857.20
Oct-18	999.00	696.15	1,004.00	694.00
Nov-18	1038.95	795.60	1,039.70	796.55
Dec-18	1008.00	876.00	1,006.00	875.60
Jan-19	950.70	846.05	954.00	847.00
Feb-19	994.60	856.85	991.00	863.20
Mar-19	937.00	815.20	935.00	815.00

The source for table above is www.nseindia.com for NSE quotes and www.bseindia.com for BSE quotes.

### PNBHFL on NSE



### PNBHFL on BSE



### Performance of the Company in comparison to broad base indices

Chart base to 100

### PNBHFL vs Nifty

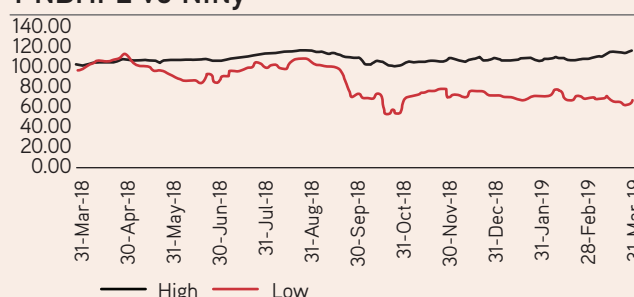
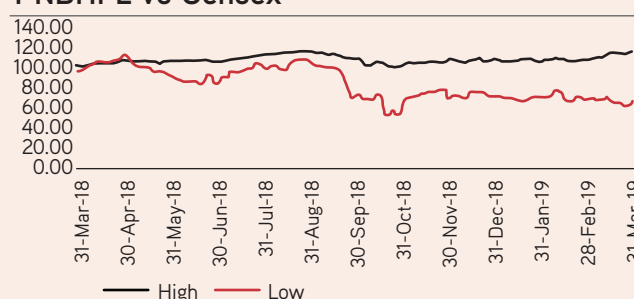


Chart base to 100

### PNBHFL vs Sensex



### REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited is the Registrar and Transfer Agents for Equity and Debt securities of the Company. Their contact details are as below:

Link Intime India Pvt. Ltd  
C 101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai - 400083

**SHARE TRANSFER SYSTEM**

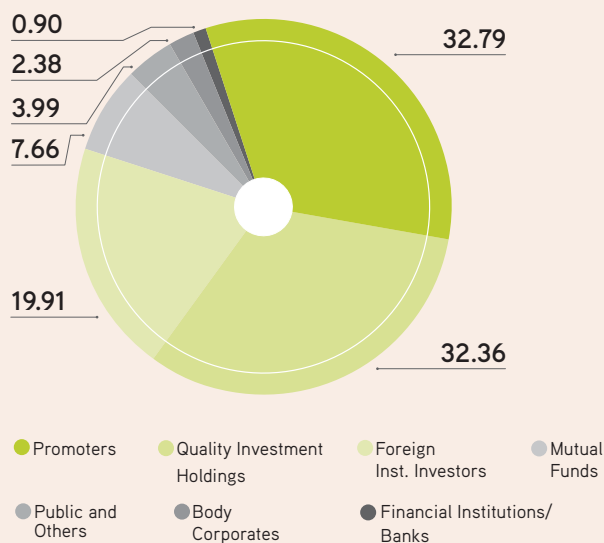
All the equity shares of the Company are held in Dematerialised form except 16 shares which are held in physical form. The shares are electronically traded in the Depository. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records.

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 30, 2019**

Sr. No.	Shareholding of Nominal Value (₹)	No. of Share Holders	% of Total	Share Amount (₹)	% of Total Share Amount
1	1 to 5000	89983	97.95	30942440.00	1.85
2	5001 to 10000	777	0.85	5677360.00	0.34
3	10001 to 20000	452	0.49	6559490.00	0.39
4	20001 to 30000	192	0.21	4786440.00	0.29
5	30001 to 40000	80	0.09	2835580.00	0.17
6	40001 to 50000	49	0.05	2233820.00	0.13
7	50001 to 100000	121	0.13	8525020.00	0.51
8	100001 to *****	213	0.23	1613130010.00	96.32
<b>Total</b>		<b>91867</b>	<b>100.00</b>	<b>1674690160.00</b>	<b>100.00</b>

Face Value (₹) : 10 NSDL Data as of : March 30, 2019 CDSL Data as of : March 30, 2019

**Shareholding Pattern as on March 30, 2019 (%)**



**DEMATERIALISATION OF SHARES AND LIQUIDITY**

Equity Shares of the Company are traded under compulsory dematerialised mode and are available for trading with both the depositories i.e. NSDL and CDSL.

The Company obtains half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from a Company Secretary in practice and files the copy of the certificate with the Stock Exchanges.

**OUTSTANDING CONVERTIBLE INVESTMENTS**

Date of Grant	No. of options granted	No. of options exercised	Exercise Price (in ₹)	No. of options lapsed	Outstanding options as on March 31, 2019
April 22, 2016	3807690	1826707	338.00	300682	1680301
August 30, 2017	405700	0	1600.60	1,00,000	305700
February 23, 2018	1,00,000	0	1206.35	0	1,00,000
July 27, 2018	136485	0	1333.35	25300	111185
July 27, 2018	1815000	0	1333.35	105700	1709300
July 27, 2018	235000	0	1333.35	36000	199000
March 19, 2019	181200	0	847.40	9800	171400

No ESOP has been granted to Non-Executive Directors and Independent Directors.

**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

During FY 2018-19, the Company has managed the foreign exchange risk by hedging the entire principal on its foreign currency borrowings. The foreign currency and interest rate risk on the borrowings have been actively hedged through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps.

**PLANT LOCATIONS**

PNB Housing Finance Limited is engaged in providing housing loans. There is no plant location as such.

**ADDRESS FOR CORRESPONDENCE**

**Registered and Head Office:**

9th Floor, Antriksh Bhavan,  
22 Kasturba Gandhi Marg,  
New Delhi 110001  
Phone Number : 1800 120 8800 (011-23555206)  
Email Address: loans@pnbhousing.com  
(investor.services@pnbhousing.com)

**B R MAHESWARI & CO LLP**  
CHARTERED ACCOUNTANTS

M – 118, Connaught Circus,  
New Delhi – 110001  
Phones: +91 (11) 4340 2222  
+91 (11) 2341 7659  
+91 (11) 2341 8130  
Fax: +91 (11) 2341 8130  
Email: brmc@brmco.com

**Independent Auditors' Certificate on  
Corporate Governance**

**To the Members of  
PNB Housing Finance Limited**

We have examined the compliance of conditions of Corporate Governance by **PNB Housing Finance Limited** ("the Company") for the year ended on March 31<sup>st</sup>, 2019, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001035N/N500050

**Sudhir Maheshwari**  
**Partner**  
Membership No: 081075

Place: New Delhi  
Date: May 9<sup>th</sup>, 2019



# SANJAY GROVER & ASSOCIATES

## COMPANY SECRETARIES

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B-88, 1<sup>ST</sup> Floor, Defence Colony, New Delhi – 110 024  
Tel.: (011) 4679 0000, Fax: (011) 4679 0012  
e-mail: [contact@cssanjaygrover.in](mailto:contact@cssanjaygrover.in)  
Website: [www.cssanjaygrover.in](http://www.cssanjaygrover.in)

### Secretarial Compliance Report **PNB Housing Finance Limited** **for the year ended 31 March, 2019**

I, Sanjay Grover, Managing Partner of M/s Sanjay Grover & Associates have examined:

- (a) all the documents and records made available to me and explanation provided by **PNB Housing Finance Limited** (“the listed entity”)
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31 March, 2019** (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations);
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) \*Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) \*Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, I hereby report that, during the Review Period:

\*No event took place under these regulations during the audit period.

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Secretary Company
1.	Regulation 29(1)(d) of SEBI LODR	<u>Prior intimation</u> to the stock exchanges was not given for the board meeting held on August 09, 2018 for issuance of secured and unsecured non-convertible debentures aggregating upto an amount Rs. 7,000 crore in tranches	The intimation to stock exchanges were given <u>as a outcome of Board meeting</u> for issuance of secured and unsecured non-convertible debentures, though prior intimation to the stock exchanges about the meeting of Board of Directors should have been given
2.	Regulation 60(2) of SEBI LODR	<p>The Company has not given advance 7 (Seven) working days notice of record date to Stock exchange for redemption of Non-convertible debentures of Series - XVII A</p> <p>The Company has not given advance 7 (Seven) working days notice of record date to Stock exchange for payment of interest and principal of Non-convertible debentures of series XXXIX and XLII</p>	<p>The record date fixed for redemption of Non-convertible debentures of Series -XVII A was January 16, 2019, however the Company has intimated the same to stock exchanges on January 09, 2019 which should have been intimated to stock exchanges in advance of atleast seven working days from the record date.</p> <p>The Company has fixed March 04, 2019 as record date for payment of interest and principal of Non-convertible debentures of series XXXIX and February 28, 2019 as record date for payment of interest and principal of Non-convertible debentures of series XLII and both of record dates were intimated to stock exchanges on February 22, 2019 which should have been intimated to stock exchanges in advance of atleast seven working days from the record date.</p>

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	None			

- d) The listed entity has taken the following actions to comply with the observations made in previous reports: **This being the first reporting since the notification of the requirement to submit this report, reporting on actions to comply with the observations made in previous reports is not applicable.**

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

New Delhi  
May 28, 2019

Sanjay Grover  
Managing Partner  
CP No.: 3850, M.No. 4223

# SANJAY GROVER & ASSOCIATES

## COMPANY SECRETARIES

B-88, 1<sup>ST</sup> Floor, Defence Colony, New Delhi – 110 024

Tel.: (011) 4679 0000, Fax: (011) 4679 0012

e-mail: [contact@cssanjaygrover.in](mailto:contact@cssanjaygrover.in)

Website: [www.cssanjaygrover.in](http://www.cssanjaygrover.in)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of**  
**PNB Housing Finance Limited**  
 9<sup>th</sup> Floor, Antriksh Bhawan,  
 22 K G Marg, New Delhi-110001

1. That PNB Housing Finance Limited (CIN: L65922DL1988PLC033856) is having registered office at 9<sup>th</sup> Floor, Antriksh Bhawan, 22 K G Marg, New Delhi-110001 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 31<sup>st</sup> March, 2019 the Board of Directors of the Company comprises of the following directors:

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Nilesh Shivji Vikamsey	00031213
2.	Shital Kumar Jain	00047474
3.	Ashwani Kumar Gupta	00108678
4.	Chandrasekaran Ramakrishnan	00580842
5.	Shubhalakshmi Aamod Panse	02599310
6.	Sanjaya Gupta	02939128
7.	Gourav Vallabh	02972748
8.	Sunil Kaul	05102910
9.	Sunil Mehta	07430460
10.	Venkata Prabhakar Lingam	08110715

**NOTE:** Mr. Neeraj Madan Vyas (07053788) was appointed as an Independent Director on the Board of the Company w.e.f. April 15, 2019

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal ([www.mca.gov.in](http://www.mca.gov.in)), we certify as under:
  - None of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31<sup>st</sup> March, 2019.
5. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This certificate is based on the information and records available up to date of this certificate and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

Sanjay Grover  
Managing Partner  
CP No.:3850

New Delhi  
May 25, 2019