

DIRECTORS' REPORT

Your directors welcome the Shareholders and take pleasure in presenting the 35th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023.

FINANCIAL RESULTS (CONSOLIDATED)

| Particulars | (₹ in crore) | |
|--|-----------------|-----------------|
| | March 31 2023 | March 31 2022 |
| Total Income | 6,529.66 | 6,200.73 |
| Total expenditure | 5,168.75 | 5,116.77 |
| Profit before tax | 1,360.91 | 1,083.96 |
| Less: Provision for Tax | | |
| - Current year | 87.78 | 249.15 |
| - Deferred Tax | 227.13 | (1.67) |
| Profit After Tax | 1,046.00 | 836.48 |
| Other Comprehensive income (OCI) | 77.06 | 97.30 |
| Total Comprehensive income for the year | 1,123.06 | 933.78 |
| Transfer to Statutory / Special reserves | 212.00 | 165.00 |
| Balance carried to balance sheet | 911.06 | 768.78 |

The standalone and the consolidated financial statements for the Financial Year ended March 31, 2023, forming part of this annual report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the National Housing Bank Act, 1987 as amended from time to time, the Master Directions Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 ('RBI Directions') as amended from time to time and the RBI circular DOR.CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 on "Scale Based Regulation (SBR), a revised regulatory framework for NBFCs.

The Net Interest Income for financial year 2023 stood at ₹2,345.54 crore as compared to ₹1,868.92 crore, registering an increase of 26% year on year. The Pre provision Operating Profit increased by 24% to ₹2,052.19 crore from ₹1,660.32 crore.

The Credit cost including write offs for financial year 2023 was ₹691.28 crore registering an increase of 20% year on year.

The Spread on loans for financial year 2023 stood at 2.81% as compared to 2.12%. Net Interest Margin for financial year 2023 stood at 3.73% as compared to 2.80%. Gross Margin, net of acquisition cost for financial year 2023, was at 4.06% as compared to 3.16%. Return on Assets for financial year 2023 was at 1.61% as compared to 1.24%. Return on Equity for financial year 2023 was at 9.98% as compared to 8.92%.

During the year, the Company has transferred a sum of ₹45.00 crore to Special Reserve and a sum of ₹167.00 crore to the Statutory Reserves.

Capital Adequacy Ratio (CRAR)

The Capital Adequacy Ratio (CRAR) as on March 31, 2023 was 24.43% (comprising Tier I capital of 22.40% and Tier II capital of 2.03%). The Reserve Bank of India (RBI) has prescribed minimum CRAR of 15% of total risk weighted assets.

DIVIDEND

In order to conserve capital, your directors have not recommended any dividend for the year (Previous year nil). The dividend distribution policy is available on the website of the Company and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>.

RIGHTS ISSUE

The Board of Directors on March 9, 2022 had authorized the Company for Rights Issue up to ₹2,500 crore. On March 28, 2023 the Board approved issue of 9,06,81,828 fully paid-up Equity Shares each for amount aggregating up to ₹2,493.76 crore. The Board fixed issue price of ₹275 per fully paid-up Equity Share (including a premium of ₹265 per Equity Share).

The Record date for Rights share eligibility was April 05, 2023. The issue opened for subscription on April 13, 2023 and closed for subscription on April 27, 2023. The Board allotted 9,06,81,828 fully paid-up Equity Shares each for amount aggregating up to ₹2,493.76 crore. Pursuant to the allotment, the paid-up equity share capital of the Company has increased from ₹1,68,86,18,680 comprising of 16,88,61,868 fully paid-up Equity Shares of ₹10 each to ₹2,59,54,36,960 comprising of 25,95,43,696 fully paid-up Equity Shares of ₹10.

The promoter, PNB subscribed ₹498.75 crore as per RBI approval dated June 2, 2022. Post Rights issue, promoter's shareholding in the Company is 28.15% (32.52% as on March 31, 2023).

Your Board wish to thank all the shareholders for the good response to the Rights issue, which was oversubscribed by around 1.21 times.

LENDING OPERATIONS

The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and is engaged in financing purchase and construction of residential houses, loan against property and loan for other related purposes. All other activities revolve around the main business.

During the year, the Company has sanctioned loans amounting to ₹23,564 crore in respect of 71,839 loan applications, as compared to ₹17,495 crore in respect to 57,360 loan applications in the previous year, growth of 25% in number of loan applications sanctioned and 35% growth in loan sanctioned amount.

During the year, the Company has disbursed loans amounting to ₹14,965 crore as compared to ₹11,246 crore in the previous year, a growth of 33%.



During the year, the Company has accelerated growth with focus on retail loans which contributed 99% of total disbursements. The Company has built a separate affordable loan vertical called 'Roshni' with dedicated sales, credit, collection, and operation. The target ticket size of a loan under Roshni is ₹15-17 lakh. The affordable loan segment presence was expanded to 82 branches/outreaches in more than 150 districts. This segment will be one of the focus areas going forward.

Company's digital onboarding platform ACE was enhanced for improving distribution and customer experience. The Company has robust underwriting, monitoring, collection and risk management practices.

Loan Assets

Loan Assets as on March 31, 2023 were ₹59,273 crore as compared to ₹57,895 crore as on March 31, 2022 registering an increase of 2%. With focus on retail segment, during the year, the Company's retail loan book has grown by 10% from ₹50,520 crore to ₹55,471 crore, whereas the corporate loan book has declined by 48% from ₹7,375 crore to ₹3,802 crore. The retail book constitutes around 94% of the Loan Assets as on March 31, 2023.

The Assets Under Management (including securitized loan book) as on March 31, 2023 were ₹66,617 crore as compared to ₹66,983 crore as at March 31, 2022, a decline of 1% YoY.

Further details on lending operations are provided in the Management Discussion and Analysis Report.

Asset Quality

The overall Gross Non-performing Assets (GNPAs), declined by 430 bps to 3.83% as on March 31, 2023 as compared to 8.13% as on March 31, 2022. The retail and corporate GNPAs declined to 2.57% and 22.25% respectively as on March 31, 2023 as compared to 3.89% and 37.13% respectively as on March 31, 2022.

The overall Net Non-performing Assets (NNPAs), declined to 2.76% as on March 31, 2023 as compared to 5.06% as on March 31, 2022. The retail and corporate NNPAs declined to 1.74% and 18.24% respectively as on March 31, 2023 as compared to 2.85% and 20.21% respectively as on March 31, 2022.

The overall ECL provision coverage as on March 31, 2023 was 2.42% (retail loans 1.74% and corporate loans 12.28%).

PMAY Subsidy

During the year, the Company disbursed subsidy under PMAY scheme in 11,424 accounts with a sanction value of ₹2,140.44 crore. The total subsidy transferred to the beneficiary accounts amounted to ₹296 crore.

DISTRIBUTION

During the year, the Company expanded its branch network to 189 branches/outreaches (including 82 affordable loan branches/outreaches) an increase from 137 branches/outreaches (including 24 affordable loan branches/outreaches)

as on March 31, 2022. Majority of new branches were opened in tier II and tier III cities to expand affordable loan business.

The Company has 22 underwriting hubs for credit decision making.

BORROWINGS

The outstanding borrowings as on March 31, 2023 were ₹53,651 crore as compared to ₹53,005 crore as on March 31, 2022. During the year, the Company has raised fresh resources of ₹24,451 crore from multiple sources.

Details of market borrowings are provided in the Management Discussion and Analysis Report and Notes to Accounts.

The Company is in compliance with the provisions of Chapter XI of RBI Master Directions for issue of Non-Convertible Debentures on Private Placement basis. The Company has been regular in payment of principal and interest on the Non-Convertible Debentures.

DEPOSITS

The Company has accepted public deposits as per RBI Directions as amended from time to time, erstwhile National Housing Bank Directions, 2010 and as per the provisions of the Act. 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.

The outstanding deposits (including accrued interest) as on March 31, 2023 were ₹17,247.90 crore (including intercorporate deposits of ₹1,722.54 crore) as against ₹17,687.05 crore (including inter-corporate deposits of ₹2,665.19 crore) outstanding as on March 31 2022, registering a decline of 2%. The Company has raised ₹6,068 crore of fresh deposits during the year.

The deposits of the Company have been rated AA (Outlook Stable) by CRISIL and CARE AA (Outlook Stable) by CARE.

Investment in SLR

The Company has maintained its Statutory Liquid Ratio (SLR) as stipulated under RBI Directions. The Company was having total SLR investments of ₹2,299.17 crore as on March 31, 2023. The Company has classified its SLR investments as per RBI Directions.

Unclaimed Deposits and NCDs

Out of the deposits which became due for repayment up to March 31, 2023, deposits worth ₹29.94 crore, including interest accrued and due relating to 1,575 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.

Deposits remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government under section 125 of the Act. During the year, the Company has transferred an amount of ₹14.13 lakh to IEPF. The concerned depositors can claim the deposit from the IEPF.

During the year, there was no NCDs unpaid, remaining unclaimed after its due date. The Company is not required to maintain debenture redemption reserve on privately placed NCDs.

CREDIT RATING

During the year, ICRA, CRISIL and India Ratings upgraded the Company's rating outlook to 'Stable' from 'Negative'. The Company is rated AA 'Stable' from all the major rating agencies i.e. CARE, CRISIL, ICRA and India Ratings.

The credit rating on deposits, term loans, NCDs and commercial paper and migration during the year is disclosed in the General Shareholder Information- Annexure to Director's Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT, REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and directions issued by the Reserve Bank of India, the Management Discussion and Analysis Report (MD&A) and the Report of the Directors on Corporate Governance form part of this report.

In accordance with the Listing Regulations, Business Responsibility and Sustainability Report (BRSR) also forms part of Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The total amount allocated for CSR activities for financial year 2023 was ₹18.76 crore (including for PHFL Home Loans and Services Limited). Out of this, the amount spent was ₹11.76 crore on various CSR activities. A sum of ₹7.00 crore was transferred to Unspent CSR Account to carry out ongoing CSR activities.

Peel Foundation (wholly owned subsidiary) is the implementation arm of the Company for CSR activities along with other partnering agencies.

During the year, the Company focused on healthcare initiatives to strengthen healthcare infrastructure across multiple locations, continued supporting projects for the welfare of construction workers, enabling access to formal education by strengthening school infrastructure, water conservation, livelihood generation for women and persons with disability.

Healthcare: Strengthening of Primary Health Centers, infrastructure at Community Health Centers, Eye Hospital, Govt. hospital for sick Newborn Care Unit, Operation of mobile medical care units, ambulance operation etc.

Education: Setting e-learning infrastructure in Govt. schools, STEM learning in Govt. schools, supported tribal school with digital learning, scholarship programs for the underprivileged, smart anganwadis, PNB Housing Finance Ki Paathshaala- a transformation project in Govt. School.

Environmental: Jal Khushhali, water conservation project, solar electrification in Govt. schools, providing safe drinking water in villages, setting community based sustainable drinking water systems, plastic waste management project.

Women Empowerment: Promoting women owned spice and snacks units, setting sanitary napkin manufacturing units, skill development of artisans in carpet sector, developed skill-based livelihoods of women.

The details are captured in Annexure 2 to Directors Report on CSR activities.

HUMAN RESOURCE

As on March 31, 2023 the Company had 1,690 full time employees on its rolls. There were 10 employees employed throughout the year, who were in receipt of remuneration of ₹1.02 crore or more per annum or receipt of remuneration of ₹8.5 lakh or more per month. The remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, excluding 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 particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees are set out in the annex to the Directors' report. In terms of the provisions of Section 136(1) of the Act read with the rule, the Directors' report is being sent to all Shareholders of the Company excluding the annexure. Any Shareholder interested in obtaining a copy of the annexure may write to the Company.

Further, disclosures on managerial remuneration are provided in Annexure 1 appended to the Directors' Report. On-boarding of key positions and vacant positions at all levels across locations were made to ensure uninterrupted business operations.

The Learning and Development (L&D) team implemented a learning roadmap for employees on techno-functional and behavioural skills. The L&D team provided physical as well as virtual learning interventions for existing employees and new joiners.

Chief Financial Officer (CFO)

The Board appointed Mr Vinay Gupta as CFO with effect from October 26, 2022. Mr Kaushal Mithani was interim CFO from April 8, 2022 to August 23 2022 post resignation of Mr Kapish Jain as CFO with effect from April 7, 2022.

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.

The Company on a regular basis sensitises its employees including subsidiary employees on the prevention of



sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes. During the year, one complaint was received by the Committee, which is under investigation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is a housing finance company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Act. As regards, investments made by the Company, the details of the same are provided in notes to the financial statements of the Company for the year ended March 31, 2023.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the provisions of Section 188 of the Act and rules made thereunder, the transactions with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC-2 of the Companies (Accounts) Rules, 2014, are annexed to this report. Details of related party transactions are given in the Notes to Accounts. The Policy on Related Party Transactions is published elsewhere in the Annual Report and is also placed on the Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

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. However, the Company understands the importance of energy conservation for the environment and this is covered under Environment, Social and Governance (ESG) section.

There were no foreign exchange earnings, and the Company has incurred foreign exchange expenditure of ₹235.74 crore during the year primarily on account of interest on borrowings from external sources.

Business Continuity

The Company has a Business Continuity Plan (BCP), designed to minimise operational, financial, legal, reputational, and other material consequences arising from a disaster.

The Business Continuity & Disaster Recovery policy at PNB Housing Finance is developed with intent to prevent, contain, and respond to potential disruptions that may impact the continuity of business/support processes performed by PNB Housing Finance, along with ensuring safety of PNB Housing Finance employees.

We have implemented multi-layered controls for identification, prevention, detection, and response to various cyber security threats we face today. We have applied safeguards for protection of customer information. We have framed information security policy, cyber security policy and cloud security policy to support information security management system and to protect business information at network, endpoint, perimeter, application, and human layer.

MAINTENANCE OF COST RECORDS

Being a housing finance company, the Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

UNCLAIMED DIVIDEND

As on March 31, 2023, dividend amounting to ₹7.07 lakh had not been claimed by Shareholders of the Company. The Company has been informing these Shareholders to claim unclaimed dividend.

EMPLOYEES STOCK OPTION SCHEME & RSU SCHEME

During the year, 2,44,572 Equity Shares of ₹10 each were allotted on exercise of ESOP options under ESOP Scheme 2016 and 2018. Further, 12,691 Equity Shares of ₹10 each were allotted on exercise of RSUs under RSU Scheme 2020.

Grant of fresh ESOS & RSUs

During the year, the Nomination and Remuneration Committee has granted 14,78,559 ESOPs under ESOP Scheme 2016 and 2020.

(6,78,559 options were granted at ₹345.30, 25,000 options at ₹345.20, 5,75,000 options at ₹444.05 and 2,00,000 options at ₹431.20).

During the year, the Nomination and Remuneration Committee has granted 25,000 RSUs under RSU Scheme 2020 at ₹10 per option.

There has been no variation in the terms of the options granted under any of these schemes and all the schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended. The certificate from the Secretarial Auditors confirming that ESOS Schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Shareholder's resolutions has been obtained and will be available for inspection of the Shareholders at the ensuing Annual General Meeting ('AGM'). The Nomination and Remuneration Committee monitors the compliance of these Schemes. The disclosures as required under the regulations have been placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/updates-events/>.

REGULATORY INTERVENTIONS

The RBI vide circular dated September 30, 2022 has classified PNB Housing Finance in Upper Layer (NBFC-UL) category under Scale Based Regulation (SBR) for NBFCs issued on October 22, 2021.

The Companies classified under NBFC-UL are required to implement a comprehensive scale based regulatory framework covering internal capital adequacy assessment process (ICAAP), common equity Tier I, leverage, differential standard asset provisioning, concentration of credit and investment, sensitive sector exposure, large exposure framework, restriction on loans to directors, their relatives and senior officers, enhanced disclosure in annual report, core financial services etc.

The RBI has issued following circulars under scale-based regulation (SBR) for NBFC-UL in Financial year 2022.

Compliance function and role of Chief Compliance Officer (April 11), restriction on loans and advances to directors and senior officers (April 19), capital requirements (April 19), large exposure framework (April 19), disclosure in financial statements-Notes to Accounts (April 19), compensation of KMPs and senior management (April 29) and provisioning for standard assets (June 06).

The Company has requisite policies in compliance with NBFC-UL requirements and is in compliance with the various circulars issued by RBI for NBFC-UL.

Regulatory Compliance

The Company has implemented RBI Directions as amended from time to time and other directions/guidelines prescribed by RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms, guidelines on maintenance of Liquidity Coverage Ratio (LCR), transfer of loans and know your customer and anti-money laundering.

During the year, the Company has not made any application and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). The Company has not entered into one-time settlement for any loans availed from the Banks or Financial Institutions.

POLICIES AND CODES

During the year, the Company has revised its policies as required in terms of provisions of the Act, RBI Directions, Listing Regulations and Insider Trading Regulations issued by the SEBI and placed all the statutory policies on its website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

DIRECTORS

During the financial year, the Board on the recommendation of Nomination and Remuneration Committee made the following appointments of Directors.

- a) Mr. Atul Kumar Goel (DIN: 07266897) was appointed Non-Executive Nominee Director with effect from April 28, 2022. The appointment was approved by the shareholders in the 34th AGM on July 26, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.

- b) Mr. Girish Kousgi (DIN: 08524205) was appointed Managing Director & CEO with effect from October 21, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022 for a term of 4 years effective October 21, 2022. He is not liable to retire by rotation.
- c) Mr. Pavan Kaushal (DIN: 07117387) was appointed Independent Director with effect from October 27, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022 for a term of 3 years effective October 27, 2022. He is not liable to retire by rotation.
- d) Mr. Dilip Kumar Jain (DIN: 06822012) was appointed Non-Executive Nominee Director with effect from November 04, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.

During the year, following Directors have resigned from the Board or completed their term.

- a) Mr. Ashwani Kumar Gupta (DIN 00108678) completed his five years term as an Independent Director on May 11, 2022.
- b) Mr. Hardayal Prasad (DIN: 08024303) resigned as Managing Director & CEO with effect from October 20, 2022.
- c) Mr. Binod Kumar (DIN 07361689) resigned as Non-Executive Director with effect from October 21, 2022. He was nominee of Punjab National Bank.

Your Board wishes to place on record its sincere appreciation for the contributions made by these directors on the Board and also on various Committees of the Board.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Sunil Kaul and Mr. Atul Kumar Goel will retire by rotation at the ensuing AGM. They are eligible for re-appointment and your Board recommends their re-appointment.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act. The Company has also received a certificate from the Practising Company Secretary confirming that none of the directors have been debarred or disqualified.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of Independence laid down in the Act and Listing Regulations as amended.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, and expertise. All the Independent Directors of the Company have registered their names with the data bank created for Independent Directors.



The details on the number of Board/ Committee Meetings held are provided in the Corporate Governance Report, which forms part of this report.

The evaluation of the Board, its committees and individual Directors was carried out in terms of the provisions of the Act and Listing Regulations. (Refer Corporate Governance Report).

STATUTORY AUDITORS

The Reserve Bank of India has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) on April 27, 2022.

The Shareholders in the 33rd AGM have appointed M/s. T R Chadha & Co, LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N500028) and M/s. Singhi & Co., Chartered Accountants (ICAI Firm Registration No. 302049E) as the Joint Statutory Auditors of the Company for a period of three years from the conclusion of 33rd Annual General Meeting till the conclusion of the 36th AGM of the Company.

During the year, the Statutory Auditors were paid remuneration of ₹1.08 crore (The subsidiaries Statutory Auditor was paid remuneration of ₹0.09 crore). The remuneration pertains to fees for audit, internal financial control reporting, limited reviews, tax audits and taxation services, certifications and other matters and reimbursement of expenses.

In addition, the Statutory Auditors were paid fees in relation to the Rights Issue related services amounting to ₹0.65 crore (excluding applicable taxes).

During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Act. Therefore, no details are required to be disclosed under Section 134 (3) (ca) of the Act.

The Statutory Auditors have confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, the Board has appointed M/s Chandrasekaran Associates, a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company.

Secretarial Audit Report forms part to Directors Report as annexure. The Secretarial Compliance Report forms part of the Annual Report.

During the year, the Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, your directors state that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed;
- b) Accounting policies selected have been applied consistently. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis;
- e) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is 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

The Annual Return in Form MGT-7 as on March 31, 2023 is available on the website of the Company at <https://www.pnbhousing.com/investor-relations/annual-reports/>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year, there were no significant or material orders passed by the regulators or courts or tribunals that would impact the going concern status or operations of the Company in the future.

Settlement Order passed by SEBI

A settlement application was filed on Suo motto basis with SEBI on January 17, 2022 on behalf of the Company and its directors, in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Regulations"), seeking settlement of all the matters that may arise in connection with Preferential Issue of Equity Shares for an aggregate amount of ₹4,000 crore, without admitting or denying the findings of fact or conclusions of law. Pursuant to completion of the requirements under the Settlement Regulations, SEBI has notified a Settlement Order dated July 18, 2022. The Company paid settlement amount of ₹72.76 lakh to SEBI including the legal expenses of ₹44.27 lakh.

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

There has been no material change or commitment, affecting the financial position of the Company which has occurred between the close of the Financial Year 2023 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.

PHFL Home Loans and Services Limited (PHFL)

PHFL is a wholly owned subsidiary and is the distribution arm for PNB Housing Finance, offering doorstep services to the prospective customers. The Subsidiary has trained workforce to source business for the loans and deposits offered by PNB Housing Finance.

During the year, the PHFL has sourced loan applications in respect of 74% of total loans disbursed by PNB Housing Finance. The annual accounts of PHFL are enclosed along with the Annual Accounts of PNB Housing Finance.

A report on the performance and financials of PHFL, as per Act 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.

Pehel Foundation

It is a wholly owned non-profit subsidiary Company incorporated under Section 8 of the Act. It is an implementation arm to carry out various CSR activities of PNB Housing Finance and PHFL.

ACKNOWLEDGEMENTS

The Directors place on record their gratitude for the support of various regulatory authorities including Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, Ministry of Housing and Urban Affairs, Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), the Stock Exchanges and the Depositories.

The Company acknowledges the role of all its key stakeholders - Shareholders, borrowers, channel partners, depositors, deposit agents, lenders and Registrar for their continued support.

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

Girish Kousgi
Managing Director & CEO

Atul Kumar Goel
Non-Executive Director

Place: New Delhi
Date: June 22, 2023



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:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:

Ratio of remuneration of each Director to the median employees' remuneration for FY 2022-23:

| Name | Designation | Ratio of remuneration to the median employees' remuneration |
|---------------------------------|--|---|
| Mr. Atul Kumar Goel | Non-Executive Nominee Director (appointed w.e.f April 28, 2022) | - |
| Mr. Sunil Kaul | Non-Executive Nominee Director | - |
| Mr. Ramakrishnan Chandrasekaran | Independent Director | - |
| Mr. Nilesh S Vikamsey | Independent Director | - |
| Dr Tejendra Mohan Bhasin | Independent Director | - |
| Mr. Sudarshan Sen | Independent Director | - |
| Mr. Kapil Modi | Non-Executive Nominee Director | - |
| Ms. Gita Nayyar | Independent Director | - |
| Mr. Neeraj Vyas | Non-Executive Director | - |
| Mr. Girish Kousgi | Managing Director & CEO (appointed w.e.f October 21, 2022) | 25.6:1 |
| Mr. Pavan Kaushal | Independent Director (appointed w.e.f October 27, 2022) | - |
| Mr. Dilip Kumar Jain | Non-Executive Nominee Director (appointed w.e.f November 04, 2022) | - |
| Past directors | | |
| Mr. Ashwani Kumar Gupta | Independent Director (ceased w.e.f May 11, 2022) | - |
| Mr. Hardayal Prasad | Managing Director & CEO (ceased w.e.f October 20, 2022) | 26.3:1 |
| Mr. Binod Kumar | Non-Executive Nominee Director (resigned w.e.f October 21, 2022) | - |

2. Percentage increase in the remuneration of the Managing Director, Chief Financial Officer and Company Secretary, if any, in the financial year 2022-23; During the year, there was no increase in remuneration of Managing Director & CEO and of Chief Financial Officer. There was 10% increase in remuneration of Company Secretary.
3. The performance linked bonus paid in FY 2022-23: During the year, the Company Secretary was paid an amount ₹14.48 lakh.

Note: Mr. Hardayal Prasad, was paid ₹2.50 crore as ex-gratia amount in lieu of performance bonus for the previous financial year 2021-22, pro-rata performance bonus for the services rendered till the exit date during the financial year 2022-23, salary in lieu of 90 days' notice period as ex-gratia and goodwill payment as additional ex-gratia.

- a. First tranche: ₹1.25 crore was paid in FY 2023.
- b. Second tranche: ₹1.25 crore was paid in FY 2024.
- c. The percentage increase in the median remuneration of employees in the financial year 2022-23 stood at 10%
- d. The Company has 1690 permanent employees as on March 31, 2023.
- e. 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 10% and non-managerial personnel was 10%.

The average increase in the remuneration of both the managerial and non-managerial personnel is 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. Brief outline on the CSR Policy of the Company

The CSR Policy of the Company is designed to ensure effective and sustained CSR programme to manifest in the form of a progressive, socially responsible and enlightened attitude. Company's policies on CSR are oriented towards stakeholder-participation approach, where the target groups are seen as stakeholders in the community whose well-being is integral to the long-term success of the Company and not a charity-oriented approach. The Company through its CSR initiatives enables the marginalized community to be empowered and become self-reliant. We have built a sustainable business model and created value for our stakeholders. We are aiming to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

The Company has adopted CSR Policy approved by CSR Committee and the Board of Directors, in accordance with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

The CSR Policy of the Company is based on following guiding principles:

- Sustainability
- Transparency
- Accountability
- Employee Engagement
- ESG Framework
- Non-discriminatory

The broad framework for CSR initiatives to be undertaken by the Company would be as per section 135 and schedule VII of Companies Act, 2013 as amended. The focus areas for CSR initiatives are:

- Healthcare
- Education
- Welfare of construction workers and skill development
- Women empowerment
- Environmental sustainability and water conservation

2. Composition of CSR Committee

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--|-------------------------------------|--|--|
| 1. | Dr Tejendra Mohan Bhasin | Chairman Independent Director | 4 | 4 |
| 2. | Mr. Ramakrishnan Chandrasekaran | Independent Director | 4 | 4 |
| 3. | Mr. Sudarshan Sen | Independent Director | 4 | 3 |
| 4. | Mr. Girish Kousgi w.e.f Oct. 21, 2022 | Managing Director & CEO | 2 | 2 |
| 5. | Mr. Hardayal Prasad (ceased Oct. 20, 2022) | Past MD & CEO | 2 | 2 |

3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

| | |
|---|---|
| Web-link of CSR Committee composition | https://www.pnbhousing.com/wp-content/uploads/2020/08/Board-Committees.pdf |
| Weblink of CSR Policy | pnbhousing.com/wp-content/uploads/2020/02/PNB-Housing-CSR-policy-2020.pdf |
| Weblink of CSR projects approved by the Board | pnbhousing.com/wp-content/uploads/2023/04/PNBHFL-List-of-CSR-Projects-FY-22-23.pdf |



4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Pursuant to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, PNB Housing Finance has conducted the impact assessments of the following CSR projects to monitor and evaluate its strategic CSR programs.

| Sl. No. | Project Name | Location | NGO Partner | Project Amount |
|---------|--|---|---------------------------|----------------|
| 1 | Promoting research and innovation in health care at AIIMS New Delhi | New Delhi | AIIMS New Delhi | 3,60,40,032 |
| 2 | a. Setting up a 20 bedded ICU Facility b. Setting up a 50 bedded ICU Facility | Raipur, Chhattisgarh Palwal, Haryana | American India Foundation | 2,31,07,350 |
| 3 | Supporting day care centres for children of construction workers | Multiple locations | Mobile Creches | 1,13,86,631 |
| 4 | Provide 3D Printer for Prosthetics to NIEPMD through Altem Technologies at Chennai | Chennai | NIEPMED | 2,47,71,545 |

The detailed executive summary of the impact assessment can be accessed at Annexure 2A and Company's website at www.pnbhousing.com.

5. (a) Average Net Profit of the Company as per Section 135(5)

The average Net Profit of the Company as per Section 135(5) for financial year 2022-23 is ₹889.77 crore.

(b) Two percent of average Net Profit of the Company as per section 135(5).

₹17.80 crore is the two percent of the average Net Profit.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

There was no surplus amount arising from the CSR projects or programmes or activities that were carried out in the previous financial year.

(d) Amount required to be set-off for the financial year, if any.

There was no amount set off for the financial year.

(e) Total CSR obligation for the financial year (5b+5c-5d).

The total CSR obligation for the financial year 2022-23 is ₹17.80 crore.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

The total amount spent on CSR projects (both ongoing and other than ongoing project) in financial year 2022-23 is ₹10.85 crore.

(b) Amount spent in Administrative Overheads:

₹0.54 crore was spent in Administrative Overheads during the financial year 2022-23.

(c) Amount spent on Impact Assessment, if applicable:

No amount has been spent on impact assessment during the financial year 2022-23.

(d) Total amount spent for the Financial Year (6a+6b+6c).

Total amount spent in financial year 2022-23 is ₹11.39 crore.

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount spent for the Financial Year. (In ₹) | Amount Unspent (In ₹) | | | | |
|---|---|------------------|--|--------|------------------|
| | Total amount transferred to unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| ₹11.39 crore | ₹6.41 crore | April 29, 2023 | - | - | - |

(f) Excess amount for set off, if any: NA

| Sl. No | Particulars | Amount (₹ in crore) |
|--------|---|---------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 17.80 |
| (ii) | Total amount spent for the Financial Year | 11.39 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if Any |
|--------|-----------------------------|--|--|---|---|------------------|---|--------------------|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY-1 (March 31, 2022) | Nil | NA | NA | NA | NA | NA | NA |
| 2 | FY-2 (March 31, 2021) | Nil | NA | NA | NA | NA | NA | NA |
| 3 | FY-3 (March 31, 2020) | Nil | NA | NA | NA | NA | NA | NA |

8. (a) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: (see note below)

(b) If yes, enter the number of Capital assets created/ acquired:

Note: The Company has not created or acquired any capital assets directly from CSR amount spent in FY 22-23. However, following assets have been created by the partners/vendors of the implementing agency, Peהל Foundation.

(c) Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|----------------------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Snack production unit | 313801 | 25/03/23 | 7,91,561 | CSR00000074 | Manjari Foundation | Paduna Chowki, Gram Panchayat Bhawan Pass Paduna, Girwa, Udaipur |
| 2 | Pickles production unit | 263160 | 17/01/23 | 4,72,236 | CSR00000074 | Manjari Foundation | Durgapur no. 02, Near Kids Paradise School, Dineshpur Road Rudrapur Ultrakhand, |
| 3 | Sanitary Napkin production unit | 226201 | 30/12/22 | 32,00,160 | CSR00006306 | The Desai Foundation Trust | Sahbhagi Shikshan Trust, Chhatha Meel, behind Police Fire Station, Sitapur Road, Lucknow-226 201, Uttar Pradesh. |
| 4 | Sanitary Napkin production unit | 396385 | 07/02/23 | 32,00,160 | CSR00006306 | The Desai Foundation Trust | Shantaben Vidhyabhavan, At & Po. Untdi, Via Dungri, Ta & Dist. Valsad-396 385, Gujarat. |



| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|--------------|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 5 | Solar Electrification in Government Secondary School, Hazipur GSS, Silani GSS, Harchandpur GSS, Dhaula GPS, Kiranki khedli GPS, Johlaka GMS, Kuliya GPS, Chamanpura GPS, Badashapur Tenther GPS, Mandawar | 122103 | 31/03/23 | 42,50,000 | NA | Govt Schools | Sohna, Gurgram, Haryana Following are the schools: Government Secondary School, Hazipur GSS, Silani GSS, Harchandpur GSS, Dhaula GPS, Kiranki khedli GPS, Johlaka GMS, Kuliya GPS, Chamanpura GPS, Badashapur Tenther GPS, Mandawar |
| 6 | Solar Electrification in GGMS, Patherheri GMS, Mubarikpur GMS, Judola GGMS, Patli GMS, Fazilpur Badli GMS, Sultanpur GMS, Kherki Majra | 122506 | 31/03/23 | 29,75,000 | NA | Govt Schools | Farrukhna gar, Gurgram, Haryana Following are the schools: GGMS, Patherheri GMS, Mubarikpur GMS, Judola GGMS, Patli GMS, Fazilpur Badli GMS, Sultanpur GMS, Kherki Majra |
| 7 | Solar Electrification in Composite School, Maharajpur Inter Balika College, Prakash Industrial Estate | 221712 | 31/03/23 | 8,50,000 | NA | Govt Schools | Ghaziabad, UP- Following are the schools: Composite School, Maharajpur Inter Balika College, Prakash Industrial Estate |
| 8 | Solar Electrification in Dayawati Modi Kanya JHS, Sikari | 201204 | 31/03/23 | 4,25,000 | NA | Govt Schools | Modinagar, UP Dayawati Modi Kanya JHS, Sikari |
| 9 | E-Learning support in GMPS Sector-5 GMSPS RR Camp GMPS Sector-15, Part-1 GMPS Bal No.1 Girls GMPS Sector-14 GMPS New Colony GMSPS Islampur GMSPS Shivji Park | 122001 | 31/03/23 | 6,78,912 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Sector-5 GMSPS RR Camp GMPS Sector-15, Part-1 GMPS Bal No.1 Girls GMPS Sector-14 GMPS New Colony GMSPS Islampur GMSPS Shivji Park |
| 10 | E-Learning support in GMPS DLF Phase-1 GMPS Chakkarpur GMSPS Sikanderpur Ghosi | 122002 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS DLF Phase-1 GMPS Chakkarpur GMSPS Sikanderpur Ghosi |
| 11 | E-Learning support in GMPS Dhanwapur GMPS Gwal Pahari GMPS Wazirabad Boys | 122003 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Dhanwapur GMPS Gwal Pahari GMPS Wazirabad Boys |
| 12 | E-Learning support in GMSPS Khandsa | 122004 | 31/03/23 | 84,864 | NA | Govt Schools | Gurgaon, Haryana GMSPS Khandsa |
| 13 | E-Learning support in GMPS Gurugram Village GMPS Basai GMPS Panchawali GGSSS Jacobpura | 122006 | 31/03/23 | 3,39,456 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Gurugram Village GMPS Basai GMPS Panchawali GGSSS Jacobpura |
| 14 | E-Learning support in GMPS Dundahera | 122016 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Dundahera, Gurgaon, Haryana |

| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|--|--------------------------------------|------------------|----------------------------|---|--------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 15 | E-Learning support in GMSPS Bajghera GMSPS Carterpuri | 122017 | 31/03/23 | 1,41,550 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Bajghera GMSPS Carterpuri |
| 16 | E-Learning support in GMSPS Sushant Lok C2 | 122022 | 31/03/23 | 70,775 | NA | Govt Schools | GMSPS Sushant Lok C2, Gurgaon Haryana |
| 17 | E-Learning support in GMSPS Kasan Boys GMPS Manesar GGMSPS Manesar | 122051 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Kasan Boys GMPS Manesar GGMSPS Manesar |
| 18 | E-Learning support in GMSPS Naharpur Rupa GMSS Kasan Naharpur Boys | 122052 | 31/03/23 | 1,69,728 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Naharpur Rupa GMSS Kasan Naharpur Boys |
| 19 | E-Learning support in GMSPS Kadipur GMPS Fazilpur Jharsa GMSPS Badshahpur Boys | 122101 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Kadipur GMPS Fazilpur Jharsa GMSPS Badshahpur Boys |
| 20 | E-Learning support in GMS Kuliyaka | 122102 | 31/03/23 | 84,864 | NA | Govt Schools | GMS Kuliyaka Gurgaon, Haryana |
| 21 | E-Learning support in GSSS Harchand Pur GSSS Dhaula GSSS Hazipur GPS Mandawar | 122103 | 31/03/23 | 3,39,456 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GSSS Harchand Pur GSSS Dhaula GSSS Hazipur GPS Mandawar |
| 22 | E-Learning support in GMSPS Wazirpur GMSPS Dhani Shadrana GMSPS Nawada Fatehpur GMSPS Mankrola GMSPS Dhankot | 122505 | 31/03/23 | 4,24,320 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Wazirpur GMSPS Dhani Shadrana GMSPS Nawada Fatehpur GMSPS Mankrola GMSPS Dhankot |
| 23 | E-Learning support in GMPS Farrukh Nagar Boys | 122506 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Farrukh Nagar Boys Gurgaon, Haryana |
| 24 | E-Learning support in GMPS Nathupur | 122029 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Nathupur Gurgaon, Haryana |
| 25 | E-Learning support in GMSPS Mubarikpur | 122202 | 31/03/23 | 84,864 | NA | Govt Schools | GMSPS Mubarikpur Gurgaon, Haryana |
| 26 | Handlooms unit and Tin Shade set up | 303804 | 15/11/23 | 1,94,817 | NA | Gopi Ram | Gopiram Raigar ka ghar, gred ke pas raigaro ka mohalla, Tigariya, tah. Chomu, Jaipur Rajasthan 303804 |
| 27 | Handlooms unit and Tin Shade set up | 303807 | 15/11/23 | 3,59,459 | NA | Mangali Devi | Moolchand Raigar ka ghar, Raigaron ka mohalla, Udaipuriya, Chomu, Jaipur, Rajasthan 303807 |
| 28 | Handlooms unit and Tin Shade set up | 303601 | 15/11/23 | 1,58,682 | NA | Kanta Devi | Mohanlal kuldeep ka ghar, raigaro ka mohalla, Amarsar, tahsil Shahpura, Jaipur Rajasthan 303601 |
| 29 | Handlooms unit and Tin Shade set up | 303601 | 15/11/23 | 3,79,870 | NA | Mamta Devi | Shankarlal Mohanpuria ka ghar, raigaro ka mohalla, Hanutpura tah. Shahpura, Jaipur, Rajasthan 303601 |



| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|-------------------------------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 30 | Handlooms unit and Tin Shade set up | 303103 | 15/11/23 | 1,07,484 | | Manju Devi | Prakashchand Chandoliya ka ghar, Raigaron ka mohalla, Barijori, tah. ghar, Raigaron ka mohalla, Barijori, tah. Shahpura, Jaipur Rajasthan 303103 Shahpura, Jaipur Rajasthan 303103 |
| 31 | Handlooms unit and Tin Shade set up | 303803 | 15/11/23 | 1,78,943 | NA | Arti Devi | Makkhanlal Raigar ka ghar, Raigaro ka mohalla Govindpura Basri, tah. Shahpura, Jaipur Rajasthan 303803 |
| 32 | Handlooms unit and Tin Shade set up | 303804 | 15/11/23 | 1,09,837 | NA | Sharvani Devi | Kanaram kuldeep ka ghar, Raigaro ka mohalla, Daya, Tigariya, tah. Chomu, Jaipur Rajasthan 303804 |
| 33 | Ward no 8, Ambedkar Park, Farrukhnagar, Dist. Gurugram, Haryana | 122506 | 16/03/23 | 29,26,350 | NA | Ambedkar Sabha Farrukhnagar | Ward no 8, Chand Nagar Road, Farrukhnagar, Dist Gurugram, Haryana-122506 |
| 34 | Devi Shakti Geeta Saar Mandir, 21, Old Railway Rd, Bhim Nagar, Sector 6, Gurugram, Haryana | 122006 | 07/02/23 | 29,26,350 | NA | Devi Shakti Geeta Saar Mandir Trust | 21, Old Railway Rd, Bhim Nagar, Sector 6, Gurugram, Haryana, 122006 |
| 35 | Geeta Bhavan, New colony, Gurugram, Haryana | 122001 | 09/02/23 | 29,26,350 | NA | Shri Sanatan Dharam Sabha (regd) | Geeta Bhavan, New colony, Gurugram, Haryana - 122001 |
| 36 | Medical equipment and Infrastructure support to 2 CHC | 382110 | 31/03/23 | 10,48,973 | NA | (Medical Superintendent) | Referral Hospital and Community Health Centre, Sanand, Ahmedabad, Gujarat |
| 37 | Medical equipment and Infrastructure support to 2 CHC | 382460 | 31/03/23 | 42,06,040 | NA | (Medical Superintendent) | Referral Hospital and Community Health Centre, Dhandhuka, Ahmedabad, Gujarat |
| 38 | Solar Power Panel set up in 2 govt. school | 122103 | 31/03/23 | 15,00,000 | NA | Govt Schools | Atta and Kiranj village in Nuh Haryana |
| 39 | Solar Power Panel set up in 1 govt. school | 301406 | 31/03/23 | 7,50,000 | NA | Govt Schools | Khareda village in Alwar Rajasthan. |

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5)

New project(s) / program(s) of on-going nature were identified and launched during the FY on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

Date: June 22, 2023

Place: New Delhi

Girish Kousgi

Managing Director & CEO

Dr Tejendra Mohan Bhasin

Chairman CSR Committee

ANNEXURE-2A

SUMMARY OF IMPACT ASSESSMENTS CONDUCTED

Name of Project – Promoting research and innovation in health care at AIIMS New Delhi

Name of Partner-AIIMS Delhi

Project Timeline: FY20-21

Project Cost: ₹3,60,40,000

About the Project: The Neurosurgery Education and Training School (NETS) at All India Institute of Medical Sciences (AIIMS), New Delhi, was supported with Stratasy's J750 digital anatomy printer, which allows printing of anatomical structures with properties similar to real tissues. The state-of-the-art 3D printer allows the printing of anatomical structures with haptic properties similar to real tissues.

Need: The project was designed to tackle the challenges faced by the NETS lab: 1. Reduced availability of cadavers due to COVID 2. Ethical Concerns 3. High cost of synthetic cadavers 4. Mismatch between human anatomy and synthetic cadavers.

Objective: 1. To enable medical practitioners to create prototypes of human anatomy using 3D Printer 2. To help surgeons reduce the surgery time and help them analyse the case before operating a patient 3. To train surgeons in a safe repeatable and controlled environment.

Impact Evaluated: Total of 62 doctors from AIIMS from Neurosurgery, Surgery, Dental, Orthopedics and ENT have been trained so far. 6 doctors from Madhya Pradesh and Telangana have benefitted by training. The initiative supported by PNB Housing Finance Limited has helped in: 1. Training surgeons in safe and controlled environment 2. Analysing cases before actually operating them, leading to less error while operating 3. Reducing surgery time. 939 Sessions have been conducted for surgeons on high-speed drilling, neuro-endoscopy simulations, and micro neurosurgery simulations.

Name of Project: Setting up a 20 bedded ICU Facility in Raipur, Chhattisgarh and 50 bedded ICU Facility in Palwal, Haryana

Name of Partner-American India Foundation

Project Timeline: FY 21-22

Project Cost: ₹2,31,07,350

About the Project: India experienced a massive surge in COVID-19 cases, particularly during the second wave in early 2021. The rapid increase in infections overwhelmed the healthcare infrastructure, including hospitals, ICU beds, and medical resources. PNB Housing Finance Limited and its implementation partner American India Foundation (AIF), in response to need for hospital beds, provided 50 and 20 beds of portable units at Palwal and Raipur district hospitals.

Need: The surge in covid cases led to a shortage of hospital beds, particularly in the worst-affected regions. Many hospitals reached full capacity, making accommodating all COVID-19 patients requiring hospitalisation challenging.

Objective: 1. To provide additional capacity of beds in hospitals to accommodate the increased number of COVID-19. 2. To strengthen the medical infrastructure overwhelmed with COVID-19 cases.

Impact Evaluated: 500+ patients' footfall at both health care facilities. 20 years of lifetime of the equipment. 4 patients can be treated on each bed per month 3360 patients can be treated each year.

Name of the Project: Supporting day care centres for children of construction workers

Name of Partner: Mobile Creche

Project Timeline: FY20-21

Project Cost: ₹1,13,86,631

About the Project: The Mobile Creche project is an initiative providing childcare services to construction workers and other vulnerable communities at construction sites across India. It aims to address the challenges faced by migrant workers who often have limited access to safe and affordable childcare facilities. PNB Housing Finance has supported the Mobile Creche project as part of its Corporate Social Responsibility (CSR) initiatives. Through its CSR program, PNB Housing Finance has extended financial assistance and other resources to the Mobile Creches project to establish and operate mobile creches at construction sites.

Need: Approximately 20 million children under the age of six live in poverty in urban India. Parents of such children are primarily daily wage labourers without additional benefits or social security from their employers or government. PNB Housing Finance Limited, through its mobile creche initiative, aims to improve the overall well-being and development of children from marginalised communities by addressing their childcare needs.



Objective: 1. To ensure the safety and well-being of construction workers' children while they are away for work. 2. To provide early childhood education to support their overall development. 3. To ensure that children of construction workers receive nutritious meals.

Impact Evaluated: 70% of the respondents' children accessed the creche facility for all weekdays. 90% of the respondents mentioned that their children received 3 meals a day. Growth monitoring was undertaken regularly, 92% of the respondents were aware of the medical consultation provided at the creche facility, 84% of the respondents affirmed that their children receive educational support, medical support such as deworming, immunisation and health supplements were provided to children, 78% of the respondents have observed the benefits of the facility in terms of the child's growth.

Name of the Project: Provide 3D Printer for Prosthetics to NIEPMD through Altem Technologies at Chennai

Name of Partner: NIEPMD, Chennai

Project Timeline: FY 21-22

Project Cost: ₹2,47,71,545

About the Project: 3D printing and scanning technology aims to facilitate and reduce the delivery time in terms of easy beneficiary-specific data collection, reduced fabrication time, minimising human errors, scientifically designed & developed, lightweight and more cosmetic appealing aids and assistive devices which will ultimately improve user satisfaction and more acceptance of such devices. The introduced technology helps not only people with disabilities but also the staff associated with NIEPMD.

Need: While healthcare infrastructure in India has improved, access to quality healthcare remains challenging, particularly in rural areas. This can result in delayed or inadequate treatment for injuries, leading to the need for prosthetic solutions. Prosthetics can be crucial in restoring mobility and functionality for individuals with limb loss or limb impairment.

Objective: 1. To minimise human errors in developing prosthetics/ orthotics devices. 2. To provide more scientifically designed devices which are lightweight and appealing to people with disabilities. 3. To improve access to quality prosthetics/ orthotics in rural India.

Impact Evaluated: 40+ beneficiaries received support through this initiative, 100% of the beneficiaries received the rehabilitation devices free of cost. Average savings of ₹25,000 per unit. Lengthy fabrication time has been reduced after the introduction of 3D Printing technology, 80% of the respondents are satisfied with the quality of the rehabilitation device.

FORM MR -3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

(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
9th Floor, Antriksh Bhavan,
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 governance practices by **PNB Housing Finance Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder 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 maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder circulars, guidelines issued thereunder by the Securities and Exchange Board of India;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations");
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;
 - (e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable**
 - (i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:
 - a) National Housing Bank Act, 1987 and the Guidelines and circulars issued thereunder from time to time;
 - b) Guidelines/Circulars/Regulations/Rules prescribed by the National Housing Bank for Housing Finance Companies as amended from time to time.
 - c) Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time.
 - d) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
 - e) Guidelines/Circulars/Regulations/Clarifications issued by RBI for HFCs from time to time.
- We have also examined compliance with the applicable clauses/Regulations of the following:



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR), 2015"):

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

1. Consequent upon the cessation of Mr. Ashwani Kumar Gupta as the Independent Director ("ID") of the Company on completion of his first term of five consecutive-years on May 11, 2022, the Company had a shortfall of one Independent Director on its Board in terms of Regulation 17 of SEBI (LODR), 2015 till October 21, 2022.
2. The Company has made delay in intimation regarding fixation of record date under Regulation 60(2) of SEBI (LODR), 2015 for the maturity of Non-Convertible Debentures, which was required to be made on or before March 25, 2022.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors except as mentioned above with respect to Independent Director. The changes, if any, 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.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company 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 during the audit period, following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has obtained the approval of shareholders in their Annual General Meeting held on July 26, 2022 for issuance of Non – Convertible Debentures of face value aggregating up to ₹12,000 Crore (Rupees Twelve Thousand crore) to eligible investors from time to time in one or more tranches.

2. The Company has allotted 2,57,263 Equity Shares of Face Value of ₹10 each fully paid up under ESOP and RSU Schemes of the Company.
3. Pursuant to the Board of Directors approval dated March 09, 2022 for issue of equity shares by way of rights issue ("Rights Issue") for an amount not exceeding ₹2500 crore, the Company had filed Letter of Offer on March 29, 2023. The issue opened for subscription on April 13, 2023, and closed on April 27, 2023. The rights issue was oversubscribed 1.21 times. The Board on May 4, 2023 approved the allotment of 9,06,81,828 fully paid-up equity shares at a price of ₹275 per equity share (including premium of ₹265 per equity share) aggregating to ₹2,493.76 crore to the eligible shareholders.
4. Approval of Restricted Stock Unit Scheme 2022 of the Company pursuant to shareholders approval in the Annual General Meeting held on July 26, 2022.
5. Approval of Employees Stock Option Scheme (ESOP Scheme III 2022) of the Company pursuant to shareholders approval in the Annual General Meeting held on July 26, 2022.
6. Mr. Kapish Jain resigned as Chief Financial Officer ("CFO") of the Company w.e.f. April 07, 2022. The Board designated Mr. Kaushal Mithani as the Interim CFO of the Company w.e.f. April 08, 2022 and he resigned from the position of Interim CFO on August 23, 2022. The Board of Directors on October 07, 2022 approved the appointment of Mr. Vinay Gupta as CFO of the Company, and he joined the office from October 26, 2022.
7. Mr. Hardayal Prasad resigned as Managing Director and Chief Executive Officer of the Company w.e.f. October 20, 2022. The Board of Directors has appointed Mr. Girish Kousgi as Managing Director and Chief Executive Officer of the Company w.e.f. October 21, 2022.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Sd/-

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

Date: June 22, 2023

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

(ii) The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2023 pertaining to Financial Year 2022-23.

ANNEXURE-A

To,
The Members,
PNB Housing Finance Limited
9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
New Delhi - 110001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 the random test basis to ensure that correct facts are reflected in 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 happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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 **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
Date: June 22, 2023



**SECRETARIAL COMPLIANCE REPORT OF PNB HOUSING FINANCE LIMITED
for the financial year ended March 31, 2023**

To,
The Board of Directors
PNB Housing Finance Limited
9th Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi – 110001

We Chandrasekaran Associates, Company Secretaries have examined:

- (a) All the documents and records made available to us and explanation provided by PNB Housing Finance Limited (**“the Listed Entity/Company”**),
- (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 financial year ended on March 31, 2023 (**“Review Period”**) in respect of compliance with the applicable 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 and include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations 2015”**);
- (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 to the extent applicable;
- (d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **Not Applicable**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- (k) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company):

We have examined the compliance of above regulations, circulars, guidelines issued thereunder as applicable during the review period and based on confirmation received from management of the Company as and wherever required and affirm that:

| S. No. | Particulars | Compliance Status (Yes/No/NA) | Observations/Remarks by PCS |
|--------|---|-------------------------------|---|
| 1. | Secretarial Standard The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI). We have examined the Secretarial Standards issued by Institute of Company Secretaries of India and as notified by Ministry of Corporate Affairs. | Yes | |
| 2. | Adoption and timely updation of the Policies: a. All applicable policies under Securities Exchange Board of India ('SEBI') Regulations are adopted with the approval of Board of Directors of the listed entity. b. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI | Yes | |
| 3. | Maintenance and disclosures on Website: a. The listed entity is maintaining a functional website b. Timely dissemination of the documents/ information under a separate section on the website c. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website | Yes | |
| 4. | Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 | Yes | |
| 5. | To examine details related to Subsidiaries of listed entity: a) Identification of material subsidiary companies | NA | The Listed entity had identified that during the period under review, there was no Material Subsidiary Company. |
| | b) Requirements with respect to disclosure of material as well as other subsidiaries | Yes | |
| 6. | Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015 | Yes | |
| 7. | Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | |
| 8. | Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. | Yes | |
| | (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee. | N.A. | |
| 9. | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | |
| 10. | Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | |
| 11. | Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder with respect to the listed entity. | Yes | Except as mentioned at point (a) below. |
| 12. | Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation / circular /guidance note etc. | Yes | Except as mentioned at point (a) below. |



Further, based on the above examination, we hereby report, during the review period that:

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

| | |
|---|---|
| S. No | 1 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 17 |
| Deviations | The composition of the Board of Directors of the Company was not as per the Regulation 17 of the SEBI (LODR) Regulations, 2015. |
| Action Taken by | BSE and NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | The Board of Directors of the Company did not have requisite number of directors upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director ("ID") of the Company on May 11, 2022. The vacancy caused was not filled by the Board within 3 months from the date of such vacancy. |
| Fine Amount | BSE and NSE each imposed fine of ₹4,24,800 for not having the requisite number of IDs on its Board as on September 30, 2022 and for the period commencing from October 01, 2022 till October 21, 2022. |
| Observations/ Remarks of the Practicing Company Secretary | Consequent upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director of the Company on May 11, 2022, the Company had a shortfall of one Independent Director on its Board till October 20, 2022. |
| Management Response | The composition of the Board was in order with effect from October 21, 2022. The delay in appointment happened due to finding a suitable person as an Independent Director. |
| Remarks | - |

| | |
|---|---|
| S. No | 2 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 60 |
| Deviations | Delay in submission of intimation on or before March 25, 2022 of record date for the maturity of Non-Convertible Debentures. |
| Action Taken by | NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | Delay in submission of intimation of record date for the maturity of Non Convertible Debentures. |
| Fine Amount | ₹11,800 (inclusive of GST) |
| Observations/ Remarks of the Practicing Company Secretary | An intimation to be made on or before March 25, 2022 has been delayed for the submission of record date for the maturity of NCDs. |
| Management Response | The Company has made the representation for waiver in this regard. |
| Remarks | |

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| | |
|---|---|
| S. No | 1 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 17 |
| Deviations | There was an intermittent vacancy of Independent Woman Director on the Board of Directors of the Company due to resignation of Ms. Shubhalakshmi Panse w.e.f. January 05, 2021 and there was no woman director on the board of the Company as on till May 28, 2021. |
| Action Taken by | BSE and NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | Non – Compliance with Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1)(a) of the Listing Regulations |
| Fine Amount | ₹3,18,600 (including GST) |
| Observations/ Remarks of the Practicing Company Secretary | There was no woman Director in the Company w.e.f. January 05, 2021 and as on March 31, 2021 |
| Management Response | Ms Gita Nayyar was appointed on the board w.e.f May 29, 2021. The delay in appointment happened due to finding a suitable person as an independent director. |
| Remarks | - |
| S. No | 2 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 57(4) |
| Deviations | Delay in disclosures has been made by the Company under Regulation 57(4) of Listing Regulations for quarter ended December 2021. |
| Action Taken by | - |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | - |
| Details of Violation | Delay in disclosures has been made by the Company under Regulation 57(4) of SEBI (LODR) Regulations, 2015 for quarter ended December 2021. |
| Fine Amount | - |
| Observations/ Remarks of the Practicing Company Secretary | The Company has made delayed intimation in submission of the disclosures in terms of Regulation 57(4) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2021. |
| Management Response | It escaped the attention of the management and adequate safeguards have been developed for future. |
| Remarks | |



| | |
|---|--|
| S. No | 3 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI Circular |
| Regulation/ Circular No. | SEBI Circular No. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers |
| Deviations | Delay filing as required under SEBI Circular No. SEBI/HO/DDHS/CI R/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers. |
| Action Taken by | - |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | - |
| Details of Violation | Delay filing as required under SEBI Circular No. SEBI/HO/DDHS/CI R/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers. |
| Fine Amount | - |
| Observations/ Remarks of the Practicing Company Secretary | The Company has made intimation beyond the prescribed timeline stated under SEBI Circular No. SEBI/HO/DDHS/CIR/ P/2019/115 dated October 22, 2019 read with FAQs issued by SEBI for listing of Commercial Papers. |
| Management Response | It escaped the attention of the management and adequate safeguards have been developed for future. |
| Remarks | During the period under review NSE vide notice dated September 29, 2022 imposed fine of ₹1,43,960 for delay in submission to stock exchanges during FY 2021-22, under 57 of SEBI (LODR), 2015 read with SEBI Circular No. SEBI/HO/DDHS/CIR/ P/2019/115 dated October 22, 2019. |

- (c) The listed entity has suitably included the conditions as mentioned in para 6(A) and 6(B) of the SEBI Circular CIR/CFD/ CMD1/114/2019 dated October 18, 2019 in terms of appointment of statutory auditor of the Listed entity.

For Chandrasekaran Associates

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 1428/2021

Sd/-

Shashikant Tiwari

Partner

Membership No. F11919

Certificate of Practice No. 13050

UDIN: F011919E000405323

Date: 29.05.2023

Place: Delhi

Notes: The management has confirmed that the records submitted to us are the true and correct. This certificate is limited to the Statutory Compliances on laws/ Regulations/ Guidelines listed in our certificate of which, the due date has been ended/ expired on or before March 31, 2023 pertaining to the Financial Year 2022-23.

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015**

The Members

PNB Housing Finance Limited

9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
New Delhi - 110001

We have examined all relevant records of PNB Housing Finance Limited (“**the Company**”) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof.

This certificate 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.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that consequent upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director of the Company on May 11, 2022, the Company had a shortfall of one Independent Director on its Board till October 20, 2022 as required under Regulation 17 of the SEBI LODR. Further, National Stock Exchange of India Limited and BSE Limited each imposed fine of ₹4,24,800 for not having the requisite number of Independent Directors on its Board as on September 30, 2022 and for the period commencing from October 01, 2022 till October 21, 2022 and as confirmed by the Management same has been paid by the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Sd/-

Shashikant Tiwari

Partner

Membership No. FCS 11919

Certificate of Practice No. 13050

Date: June 22, 2023

Place: Delhi

Note: The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2023 pertaining to Financial Year 2022-23.



ANNEXURE TO DIRECTORS' REPORT - 3

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate governance at PNB Housing Finance is implemented through robust board governance processes, internal control systems and processes, and strong audit mechanism. These are articulated through corporate governance guidelines, charters of various sub-committees of Board and Company's policy on disclosure.

The Company ensures to exercise principles of corporate ethics, accountability, integrity and maintaining high standards of corporate governance. The Company has framed its policies as per applicable laws and regulatory guidelines. Company has been constantly reviewing and revising them as per business needs and changes in laws/ regulations from time to time. PNB Housing Finance believes that good Corporate Governance emerges from the application of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

The Company practices ethical standards in all its dealings. The Company continues to maintain healthy relationship with its depositors, loan customers, business partners, its various other stakeholders and financiers. Company has transparently disclosed information through its public documents, annual reports, financial results etc.

Over the years, the Company has strengthened its corporate practices and disclosures. The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 ("RBI Directions") (as amended from time to time), various circulars issued under Scaler based Regulation, which are applicable to the Company and other circulars and notifications issued by RBI, SEBI, MCA and other statutory bodies.

As permitted by MCA, the Board and its Committees have functioned largely using virtual mode for its meetings. The Company has ensured adequate precautions while conducting audio video meetings. The technology interventions ensured that all the business activities were completed in time, the Board & Committee meetings were held in time, dissemination of adequate and correct public information was ensured.

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

BOARD OF DIRECTORS

The Board is overall responsible to oversee the Company's management and to protect the long-term interest 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 FOR WHICH IT 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 challenging times.

The Company's Board has people with extensive experience in the financial sector, economics, mortgages, banking, international operations, fintech regulation, currency management, risk management, credit and information technology. The Directors are highly qualified and have held leadership positions in high performing institutions. 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, 2023, the Board consisted of twelve Members comprising six Independent Directors, five Non-Executive Directors and one Managing Director & CEO. During the year, following appointments/ cessations took place amongst the Board Members.

- a) Mr. Atul Kumar Goel was appointed as Non-Executive Nominee Director with effect from April 28, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.
- b) Mr Ashwani Kumar Gupta completed his first five-year term as an Independent Director on May 11, 2022.
- c) Mr. Hardayal Prasad resigned as MD & CEO, with effect from October 20, 2022.
- d) Mr. Girish Kousgi was appointed as MD & CEO, with effect from October 21, 2022 for a term of 4 years.
- e) Mr. Binod Kumar resigned as Non-Executive Nominee Director with effect from October 21, 2022.
- f) Mr. Pavan Kaushal was appointed as Independent Director with effect from October 27, 2022 for a term of 3 years.
- g) Mr. Dilip Kumar Jain was appointed Non-Executive Nominee Director with effect from November 04, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.

None of the Independent Directors of the Company have resigned before the expiry of his/her tenure during the Financial Year 2022-23.

Appointment of Directors AGM dated July 26, 2022: The Shareholders have appointed Mr. Atul Kumar Goel as a Non-Executive Nominee Director. The Shareholders by postal ballot on December 22, 2022 have appointed Mr. Girish Kousgi as Managing Director and Chief Executive Officer, Mr. Pavan Kaushal as an Independent Director and Mr. Dilip Kumar Jain as a Non-Executive Nominee Director.

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 the Listing Regulations is given hereunder:

| Sr. No. | Directors | Category | DIN | Name of Companies and Designation* | Number of Committees** | | Skills/ Expertise |
|---------|-----------------------|---|----------|--|------------------------|--------------|--|
| | | | | | Member | Chair-Person | |
| 1. | Mr. Atul Kumar Goel | Non-Executive Nominee Director of Punjab National Bank | 07266897 | <ol style="list-style-type: none"> PNB Housing Finance Limited ('L' stands for Listed) Punjab National Bank (L) – Managing Director and CEO The Oriental Insurance Company Limited ('UL' stands for unlisted)– Non-Executive Director PNB Metlife India Insurance Co. Ltd (UL)– Non-Executive Director National Credit Guarantee Trustee Company Limited (UL) – Non-Executive Director | 3 | 0 | <p>He is a qualified Chartered Accountant, having more than three decades of Banking experience. He was Chief Financial Officer (CFO) in Allahabad Bank.</p> <p>He is currently Managing Director & CEO of Punjab National Bank from February 1, 2022. Earlier, he was Managing Director & CEO of UCO Bank, Executive Director in Union Bank of India and worked in various positions in Allahabad Bank.</p> |
| 2. | Mr. Sunil Kaul | Non-Executive Nominee Director of Quality Investment Holdings Pcc | 05102910 | <ol style="list-style-type: none"> PNB Housing Finance Limited (L) Yes Bank Limited (L)- Nominee Director | 2 | 0 | <p>He is B. Tech from IIT Bombay and MBA from IIM Bangalore. He is an experienced Investment Advisor. He has extensive experience in corporate and consumer banking in several parts of the world. He has held leadership positions for Citibank. He has experience in capital investment, financial sector, treasury, risk management, credit, human resource, and credit card industry.</p> |
| 3. | Mr. Nilesh S Vikamsey | Independent Director | 00031213 | <ol style="list-style-type: none"> PNB Housing Finance Limited (L) Thejo Engineering Limited (L) – Independent Director Thomas Cook (India) Limited (L) – Independent Director IIFL Finance Limited (L) – Independent Director Gati Limited (L) – Independent Director Allcargo Logistics Limited - (UL) – Independent Director 360 ONE WAM LIMITED (UL) – Independent Director SOTC Travel Limited (UL) – Independent Director Gati-Kintetsu Express Private Limited (UL) – Independent Director | 10 | 5 | <p>He is a qualified Chartered Accountant and Past President of Institute of Chartered Accountants of India. He has extensive experience of Audits/ Consultancy of Banks, large Companies, Mutual Funds, Financial Services Sector companies. He has extensive experience in credit and human resource management.</p> |



| Sr. No. | Directors | Category | DIN | Name of Companies and Designation* | Number of Committees** | | Skills/ Expertise |
|---------|--------------------------|---|----------|---|------------------------|--------------|--|
| | | | | | Member | Chair-Person | |
| 4. | Mr. R Chandrasekaran | Independent Director | 00580842 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. L&T Technology Services Ltd. (L) – Independent Director 3. LTI Mindtree Limited (L) – Independent Director 4. Aujas Cybersecurity Limited (UL) – Director 5. NSEIT Limited (UL) – Director 6. KSL Digital Ventures Limited (UL) – Director | 3 | 1 | He is Bachelor of Engineering from Madras University and MBA from IIM Bangalore. He was one of the professional co-founders of Cognizant. He has held leadership position in the IT industry, setting up business in India and several countries, the U.S., Europe, South America, The Philippines and China, driving best-in-class delivery excellence at scale. Besides IT, he has extensive experience in operations and human resource management. |
| 5. | Mr. Neeraj Vyas | Non-Executive Director | 07053788 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) | 1 | 0 | He is a senior professional with experience in banking, credit, mortgages, risk management and operations. He was part of State Bank of India for over three decades and has handled several assignments for the bank in various locations in India and abroad. He was Deputy Managing Director and Chief Operating Officer of State Bank of India. He is MSc. and CAIIB. |
| 6. | Dr Tejendra Mohan Bhasin | Independent Director | 03091429 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. PNB Gilts Limited (L)- Independent Director 3. SBI Cards and Payment Services Limited (L)- Independent Director 4. Patanjali Foods Limited (L) - Independent Director 5. SBI Life Insurance Company Limited (L)- Independent Director | 8 | 3 | He is PhD from University of Madras and MBA from FMS Delhi. He is an experienced retired banker who held the position of Chairman and Managing Director of Indian Bank. He has been conferred with honorary fellowship by Indian Institute of Banking and Finance. He was earlier vigilance commissioner in Central Vigilance Commission. He has over 42 years of experience in administration, banking and finance industry, risk management, credit management and operations. |
| 7. | Mr. Sudarshan Sen | Independent Director | 03570051 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Federal Bank Ltd. (L) - Independent Director | 2 | 0 | He is MSc from Delhi University and MBA from University of Birmingham. He retired from the Reserve Bank of India as Executive Director in charge of regulation of banks and non-banking financial companies. He has extensive experience in banking regulation, bank supervision, fintech regulation, human resource, information technology and currency management. |
| 8. | Mr. Kapil Modi | Non-Executive Nominee Director of Quality Investment Holdings Pcc | 07055408 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Nxtra Data Limited (UL)-Non Executive Nominee Director 3. Hexaware Technologies Limited (UL)- Non-Executive Nominee Director 4. VLCC Health Care Limited (UL)- Non-Executive Nominee Director | 2 | 0 | He is B. Tech from IIT Kharagpur, MBA from IIM Ahmedabad (Gold Medallist) and Master of Business Law from National Law School, Bangalore. He is an experienced Investment Advisor. He has strong network of relationships across investment banks, Consultants and operating management teams primarily in financial services and technology sector. |

| Sr. No. | Directors | Category | DIN | Name of Companies and Designation* | Number of Committees** | | Skills/ Expertise |
|---------|----------------------|--|----------|--|------------------------|--------------|--|
| | | | | | Member | Chair-Person | |
| 9. | Ms. Gita Nayyar | Independent Director | 07128438 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. Oriental Hotels Limited (L)- Independent Director 3. Transport Corporation of India Limited (L)- Independent Director 4. Glenmark Life Sciences Limited (L)- Independent Director 5. Taj Sats Air Catering Limited (UL) - Independent Director | 4 | 2 | She is a BA in Economics from Delhi University and holds an MBA from Amos Tuck School of Business Administration, Dartmouth College, USA. She is a finance professional with over 30 years of global leadership experience with MNC banks/ VC funds and corporates. She has expertise in corporate banking, risk and relationship management, investment banking, wealth management and fund raising. She is also recognised for her expertise in angel investing/mentoring and advising early-stage ventures and has a successful track record of Investing and founding early-stage enterprises. |
| 10. | Mr. Pavan Kaushal | Independent Director | 07117387 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. Lendingkart Finance Limited (UL) - Additional Director 3. Asset Reconstruction Company (India) Limited (UL) - Director 4. Baroda Global Shared Services Limited (UL) - Additional Director | 2 | 0 | He holds a bachelor's degree in commerce from University of Calcutta and a master's degree in financial management from Jammalal Bajaj Institute of Management Studies, University of Bombay. He is a member of the Institute of Chartered Accountants of India since 1985. He has over 33 years of experience in the financial services sector and risk management. |
| 11. | Mr. Dilip Kumar Jain | Non-Executive Nominee Director of Punjab National Bank | 06822012 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. India SME Asset Reconstruction Company Limited (UL)- Director | 0 | 0 | He holds a bachelor's degree in commerce from Rajasthan University. He is also a member of the Institute of Chartered Accountants of India since 1989. He has over 26 years of experience in the banking sector, having worked in various positions. He is CFO of Punjab National Bank. |
| 12. | Mr. Girish Kousgi | Managing Director & CEO | 08524205 | <ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. PHFL Home Loans And Services Limited (UL)- Director | 1 | 0 | He has extensive experience of managing assets and liabilities, mortgage, retail lending, SME and Agri business. He has dealt with a variety of loan products, handling sales, product, credit underwriting, risk and operations. He has experience of retail banking for over 22 years apart from an experience of about 11 years in risk management. He is a Post-graduate in Business Administration (MBA) and graduate in Commerce. |

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



**Audit Committee and Stakeholders Relationship Committee.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE;

None of the Board of Directors are related inter-se except for the nominee Directors.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

None of the Board of Directors hold shares of the Company in as on March 31, 2023, except Ms Gita Nayyar who holds 8,936 shares as on date.

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 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 banking, 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 various Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and IT Strategy Committee.

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. All the Independent Directors fulfil the criteria prescribed in the Listing Regulations and other applicable laws and are independent of the management of the Company.

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.

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 familiarization 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 www.pnbhousing.com. An overview of the familiarisation programme during the year has been placed on the Company's website and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

BOARD MEETINGS

As permitted by MCA, the Company held majority of Board Meetings by audio-video means. As per MCA guidelines, all the precautions were taken, rules for safe and secure conduct of Board meetings were followed and proceedings were recorded. Board Meetings are scheduled well in advance and prior 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 & CEO prepares the detailed agenda for the Meetings. The detailed Board agenda is circulated to the Directors 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 on 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 met eighteen times on April 04, April 28, April 29, May 30, June 14, July 28, August 04, August 26, October 07, October 20, October 27, November 04, November 29, December 12, December 14, January 24, February 03 and March 28, 2023. The attendance of the Directors at the Board Meetings and the 34th Annual General Meeting held on July 26, 2022 are listed below.

| Sr. No. | Directors | Board Meetings* | Attendance at the 34 th AGM | Sitting fee paid (₹) |
|---------|--------------------------|-----------------|--|----------------------|
| 1. | Mr. Atul Kumar Goel | 10 | Yes | - |
| 2. | Mr. Sunil Kaul | 18 | Yes | - |
| 3. | Mr. R Chandrasekaran | 15 | Yes | 13,50,000 |
| 4. | Mr. Nilesh S Vikamsey | 17 | Yes | 15,50,000 |
| 5. | Mr. Neeraj Vyas | 18 | Yes | 16,50,000 |
| 6. | Dr Tejendra Mohan Bhasin | 18 | Yes | 16,50,000 |
| 7. | Mr. Sudarshan Sen | 10 | Yes | 9,50,000 |
| 8. | Mr. Kapil Modi | 18 | Yes | - |
| 9. | Ms Gita Nayyar | 17 | Yes | 15,50,000 |
| 10. | Mr. Girish Kousgi | 8 | NA | - |
| 11. | Mr. Pavan Kaushal | 7 | NA | 7,00,000 |
| 12. | Mr. Dilip Kumar Jain | 6 | NA | - |
| | Past directors | | | |
| 1. | Mr. Hardayal Prasad | 8 | Yes | - |
| 2. | Mr. Ashwani Kumar Gupta | 3 | NA | 1,50,000 |
| 3. | Mr. Binod Kumar | 7 | Yes | - |

*Leave of absence was granted to the concerned directors who could not attend the Board Meetings.

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, the Listing Regulations and RBI Directions as amended and as per the business requirements. The minutes of all Committee Meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee Meetings are placed before the Board.

The various Board Committees, their roles and their members are given below.

a. Audit Committee

The charter of the Audit Committee is as per section 177 of the Companies Act, 2013 and the Listing Regulations, as amended. The main role of the Audit Committee is;

- i) It assists 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 company's process for monitoring compliance with laws and regulations and the code of conduct.

- ii) It reviews quarterly, half yearly and yearly financial statements as prepared by the Company before submission to the Board.
- iii) It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- iv) As per Related Party Policy, it gives approval to related party transactions and also monitor related party transactions.
- v) It reviews functioning of whistle blower mechanism.
- vi) It reviews functioning of internal audit.
- vii) It recommends appointment, remuneration and terms of 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, where financial statement is discussed. The Audit Committee discuss with the Statutory Auditors their findings on the working of the Company without the presence of the Management.



During the year, the Audit Committee had met fourteen times on April 26, April 28, July 28, July 30, August 05, August 09, August 12, October 12, October 27, November 03, November 28, 2022, January 24, January 28 and March 27, 2023. The details of attendance at the Audit Committee Meetings are as under.

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|---------------------------------|-----------------------------|-----------------|
| 1. | Mr. Nilesh S Vikamsey, Chairman | 14 | 6,60,000 |
| 2. | Mr. Sudarshan Sen | 10 | 4,60,000 |
| 3. | Dr Tejendra Mohan Bhasin | 14 | 6,60,000 |
| 4. | Mr. Neeraj Vyas | 12 | 6,00,000 |

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

b. Nomination and Remuneration Committee (NRC)

The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013 and as per the Listing Regulation as amended.

The NRC formulates 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 Company has in place Policy on Fit and Proper Criteria of Directors and Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management, and other employees in terms of the provisions of the Companies Act, 2013, and the Listing Regulations and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>. Details of remuneration paid to all the Directors forms part of the annual return MGT-7, available on the website.

The annual compensation package of the Managing Director & CEO 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 thirteen times on April 04, April 12, April 25, May 09, June 03, June 29, August 01, August 08, September 01, September 08, October 20, December 19 and December 24, 2022. The details of attendance at the NRC Meetings are as under:

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|--------------------------------|-----------------------------|-----------------|
| 1. | Mr. R Chandrasekaran, Chairman | 11 | 4,70,000 |
| 2. | Mr. Sunil Kaul | 13 | - |

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|--|-----------------------------|-----------------|
| 3. | Mr. Nilesh S Vikamsey | 12 | 5,20,000 |
| 4. | Ms Gita Nayyar | 11 | 4,70,000 |
| 5. | Mr Sudarshan Sen | 11 | 5,10,000 |
| 6. | Mr Atul Kumar Goel (from 05.05.2022) | 6 | - |
| | Mr. Binod Kumar (Ceased on 21.10.2022) | 3 | - |

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

c. Corporate Social Responsibility Committee (CSR)

CSR Committee exercises the roles and responsibilities as per section 135 of the Companies Act, 2013 as amended. It oversees Corporate Social Responsibilities of the Company, recommend from time-to-time amendments to CSR Policy of the Company. It formulates annual action plan and recommend to the Board for its approval. It approves implementing agencies for the CSR activities. It oversees the functioning of Executive Committee of CSR Management.

During the year, the CSR Committee met four times on June 24, September 23, 2022, February 7 and March 29, 2023. The details of attendance at the CSR Meetings are as under;

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|--|-----------------------------|-----------------|
| 1. | Dr Tejendra Mohan Bhasin, Chairman | 4 | 2,00,000 |
| 2. | Mr. R Chandrasekaran | 4 | 2,00,000 |
| 3. | Mr. Sudarshan Sen | 3 | 1,50,000 |
| 4. | Mr. Girish Kousgi (From 21/10/2022) | 2 | - |
| | Mr. Hardayal Prasad (Ceased from 20/10/2022) | 2 | - |

d. Stakeholders Relationship Committee (SRC)

The Committee oversees investor relations, recommend to the Board raising of equity share capital and allotment of equity shares and investors' grievances. The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013 and as per the Listing Regulations, as amended.

During the year, the SRC Committee has met five times on June 16, November 29, 2022, February 09, March 22 and March 27, 2023.

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|--------------------------------------|-----------------------------|-----------------|
| 1. | Ms Gita Nayyar, Chairperson | 5 | 2,50,000 |
| 2. | Mr Atul Kumar Goel (From 05.05.2022) | 5 | - |
| 3. | Mr. Sunil Kaul | 5 | - |

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|---|-----------------------------|-----------------|
| 4. | Mr. Girish Kousgi (From 21/10/2022) | 4 | - |
| | Mr. Hardayal Prasad (Ceased from 20/10/2022) | 1 | - |

e. Risk Management Committee

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 assists 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. It oversees the guidelines, policies and processes for monitoring and mitigating such risks. The Committee has been delegated powers, roles, and responsibilities as per the Listing Regulation, as amended.

The Committee has met six times during the year on May 17, August 16, October 29, November 15, 2022, February 15, and March 23, 2023.

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|---|-----------------------------|-----------------|
| 1. | Dr T M Bhasin, Chairman | 6 | 2,80,000 |
| 2. | Mr. Sunil Kaul | 5 | - |
| 3. | Mr. Neeraj Vyas | 6 | 2,80,000 |
| 4. | Mr. Girish Kousgi (From 21/10/2022) | 4 | - |
| | Mr. Hardayal Prasad (Ceased from 20/10/2022) | 2 | - |

Leave of absence was granted to the concerned Director who could not attend the Committee Meetings

Risk Management policies

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 constituent 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 maximizing 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 maximize 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.

None of the risks faced by the Company threaten its existence. The Company has in place the board level Risk Management Committee. The terms of reference and the composition forms part of the Report. The Company has also in place the designated Chief Risk Officer in compliance of the RBI Master Directions. The Risk Management Committee reviews various risks faced by the Company and also monitor the measures undertaken to mitigate the same.

f. Credit Committee (CCB)

It reviews and formulates credit policy parameters for loans to various segments, review the feedback mechanism to policy to improve and to maximize risk/return matrix. The CCB reviews the credit performance and collection effectiveness of the loan portfolio. The Board has also delegated powers to sanction loans to the Committee.

During the year, the CCB had met thirteen times on May 18, June 15, July 25, August 10, September 05, December 15, December 23, December 31, 2022, January 04, January 18, February 13, February 25 and March 17, 2023. The details of attendance at the CCB Meetings are as under.

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|---|-----------------------------|-----------------|
| 1. | Mr. Neeraj Vyas, Chairman | 12 | 5,80,000 |
| 2. | Mr. Kapil Modi | 11 | - |
| 3. | Mr. Pavan Kaushal (From 27/10/2022) | 8 | 4,00,000 |
| 4. | Mr. Girish Kousgi (From 21/10/2022) | 8 | - |
| | Mr. Hardayal Prasad (Ceased from 20/10/2022) | 4 | - |

Leave of absence was granted to the concerned directors who could not attend the Committee Meetings



g. IT Strategy Committee

The Committee approves IT strategy, IT policy documents, cyber security and IT security. It guides the management to put in place an effective strategic planning process. It ascertains that the Management has implemented processes and practices to ensure that the IT delivers value to the business, that the IT investments represent a balance of risks, benefits and IT budget. It monitors the method that the management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources. It monitors IT risks and controls.

During the year, the IT Strategy Committee had met four times on June 21, October 06, November 15, 2022 and March 21, 2023. The details of attendance at the IT Committee Meetings are as under.

| Sr. No. | Directors | Number of Meetings attended | Sitting fee (₹) |
|---------|--|-----------------------------|-----------------|
| 1. | Mr. R Chandrasekaran, Chairman | 4 | 2,00,000 |
| 2. | Mr. Kapil Modi | 4 | - |
| 3. | Mr. Pavan Kaushal (From 27/10/2022) | 1 | 50,000 |
| 4. | Mr. Girish Kousgi (From 21/10/2022) | 2 | - |
| | Mr. Hardayal Prasad (Ceased from 20/10/2022) | 2 | - |

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder, following are the Key Managerial Personnel of the Company:

- Mr. Girish Kousgi, Managing Director & CEO (w.e.f. 21/10/2022)
- Mr. Vinay Gupta, Chief Financial Officer (w.e.f. 26/10/2022)
- Mr. Sanjay Jain, Company Secretary and Chief Compliance Officer

Mr. Hardayal Prasad resigned as Managing Director & CEO, with effect from October 20, 2022. Mr Kapish Jain, resigned as Chief Financial Officer w.e.f. April 07, 2022 and Mr. Kaushal Mithani, Chief Financial Officer (Interim) resigned w.e.f. August 23, 2022.

The status of shareholders' complaints during Financial Year 2022-23, 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.) |
|---|---|---|
| 0 | N.A. | N.A. |

However, the Company has received few requests for revalidation of dividend warrants and physical copy of annual report. The same has been taken into consideration and closed.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on April 04, 2022 and March 29, 2023. The Independent Directors met 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.

REMUNERATION OF DIRECTORS

Independent Directors and Non-Executive Non-Nominee Directors are paid sitting fees and commission on net profits. During the year under review, the sitting fees payable to Independent Directors for attending meetings of the Board of Directors of the Company was revised from ₹50,000 to ₹1,00,000 per Board Meeting w.e.f. 30/05/2022. The sitting fees for attending the meetings of Committees of Board was revised from ₹30,000 to ₹50,000 per meeting w.e.f. 30/05/2022. The Commission payable to all the independent directors is restricted to 0.25% of the net profits of the Company as approved by the Shareholders of the Company.

Details of sitting fees and commission paid during Financial Year 2022-23 is provided in the Form MGT-7 which is placed on the website of the Company.

| S. No. | Name | Sitting Fees paid | | Commission paid | Total |
|--------|--|-------------------|---------------------------|--------------------|--------------------|
| | | Board Meetings | Committee/ other Meetings | | |
| 1 | Mr. R Chandrasekaran | 13,50,000 | 9,50,000 | 15,00,000 | 38,00,000 |
| 2 | Mr. Nilesh S Vikamsey | 15,50,000 | 12,60,000 | 15,00,000 | 43,10,000 |
| 3 | Mr. Neeraj Vyas | 16,50,000 | 14,60,000 | 15,00,000 | 46,10,000 |
| 4 | Dr Tejendra Mohan Bhasin | 16,50,000 | 12,20,000 | 15,00,000 | 43,70,000 |
| 5 | Mr. Sudarshan Sen | 9,50,000 | 12,00,000 | 15,00,000 | 36,50,000 |
| 6 | Ms. Gita Nayyar | 15,50,000 | 8,00,000 | 12,50,000 | 36,00,000 |
| 7 | Mr. Pavan Kaushal | 7,00,000 | 5,00,000 | - | 12,00,000 |
| 8 | Mr. Ashwani Kumar Gupta (Ceased on 11.05.2022) | 1,50,000 | 30,000 | 15,00,000 | 16,80,000 |
| | Total | 95,50,000 | 74,20,000 | 1,02,50,000 | 2,72,20,000 |

Managing Director & CEO

Mr. Girish Kousgi is the Managing Director and CEO of the Company for a period of four years with effect from October 21, 2022, till October 20, 2026. Mr. Hardayal Prasad was the Managing Director and CEO of the Company up to October 20, 2022.

The remuneration of the Managing Director & CEO 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 & CEO comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. In addition, he is entitled to ESOPs. The Managing Director & CEO of

the Company has not received any commission from the subsidiaries of the Company.

Details of remuneration paid/payable to the Managing Director during the year under review is provided in Form MGT-7. Details of ESOP Options of Managing Director:

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

| Sl. No. | Particulars of remuneration | Total amount (₹) | |
|---------|---|---------------------|--------------------|
| | | Mr. Hardayal Prasad | Mr. Girish Kousgi |
| 1 | Gross Salary | | |
| | a) Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961 | 1,30,88,447 | 1,09,83,494 |
| | 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 | Separate Table | Separate Table |
| 3 | Sweat Equity | - | - |
| 4 | Commission as % of profit | - | - |
| 5 | Performance Bonus | * | |
| | Total | 1,30,88,447 | 1,09,83,494 |

* Hardayal Prasad, was paid ₹2.50 crore as ex-gratia amount in lieu of performance bonus for the previous financial year FY 2021-22, pro-rata performance bonus for the services rendered till the exit date during the financial year 2022-23, salary in lieu of 90 days' notice period as ex-gratia and goodwill payment as additional ex-gratia.

- a. First tranche: ₹1.25 crore was paid in FY 2023.
b. Second tranche: ₹1.25 crore was paid in FY 2024.

| Name | Grant Date | Options Granted | Vesting Period | No. of options exercised |
|---------------------|------------------|-----------------|--|--|
| Mr. Hardayal Prasad | August 19, 2020 | 5,50,000 | The ESOPs vesting was 10% in Year 1, 20% in Year 2, 30% in Year 3 and 40% in Year 4. | 1,65,000 (The balance 70% options have lapsed post his resignation from the Board w.e.f Oct. 20, 2022) |
| Mr. Girish Kousgi | October 21, 2022 | 5,75,000 | The ESOPs shall vest 20% in Year 1, 20% in Year 2, 30% in Year 3 and 30% in Year 4. | - |

BOARD EVALUATION

This 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 objective is 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 evaluation of performance of the Board of Directors, Board Committees and individual Directors was carried out during the year on the basis of a structured questionnaire comprising of evaluation criteria forming part of the policy, through peer evaluation, excluding the Director being evaluated.

Evaluation criteria for Board includes communication with management, succession planning, independence, remuneration, strategy and performance, conflict of interest, culture, frequency of meetings, agenda, training, qualification, evaluation of risk, performance evaluation, access to management etc. Evaluation criteria for Committees includes contribution, effectiveness, independence, composition, structure and meetings.

Evaluation criteria for individual directors includes fulfilment of functions, knowledge and skill, participation and personal attributes.

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, the Company has not received any complaints from the investors. The Company has received few requests for physical copy of Annual Reports and revalidation of dividend warrants which has been taken into consideration and closed.

SUBSIDIARY COMPANIES

The Company has two wholly owned subsidiaries, "PHFL Home Loan and Services Limited" and 'PEHEL Foundation'. PHFL Home Loans was incorporated on August 22, 2017. The Company is a distribution arm for PNB Housing Finance, offering doorstep services to the prospective customers.

Pehel Foundation is a wholly owned subsidiary of PNB Housing Finance Limited incorporated on October 14, 2019. It is incorporated as a CSR Foundation of the Company with the main objective to implement projects, programmes and such other activities as specified in Schedule VII of Companies Act, 2013, as may be necessary under CSR Policy of PNB Housing Finance Limited and/or its group companies and/or other donors/companies in terms of Section 135 of the Companies Act, 2013.

The subsidiaries are not material subsidiary within the meaning of the Listing Regulations. The Company has formulated a policy for determining material subsidiary, which is available on Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>.

EMPLOYEE STOCK OPTION SCHEME (ESOS)/ RESTRICTED STOCK UNIT SCHEME

The disclosures as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, have been placed on the website of the Company.



PROCEEDS FROM PRIVATE PLACEMENT OF DEBT ISSUES

During the year, the Company has raised ₹150 crore of secured NCDs through private placements in one series. As specified in the offer document, 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.

None of the Directors are related to each other.

SHAREHOLDING OF DIRECTORS

The details of shareholding of Directors are disclosed in MGT-7 form available on the website of the Company at <https://www.pnbhousing.com/investor-relations/annual-reports/>.

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 in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, as amended from time to time.

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, their immediate relatives 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 AND WHISTLE BLOWER POLICY

The Board has approved the vigil mechanism and 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.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

During the year under review, the Company has adhered to the internal Guidelines on Corporate Governance adopted in accordance with the clause 55 of the Chapter IX of the - Corporate Governance of RBI Directions, which, inter-alia, defines the legal, contractual and social responsibilities of the

Company towards its various stakeholders and lays down the Corporate Governance practices of the Company. The said Policy is available on the website of the Company and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

GENERAL PROCEDURE FOR POSTAL BALLOT

1. 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 Scrutinizer appointed by the Board for carrying out the Postal Ballot process.
2. The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer.
3. The Scrutinizer submits his report to the Chairman/ authorized person of the Company, who based on the report announces the results.
4. 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 FINANCIAL YEAR 2022-23

During the year, the Statutory Auditors received a total remuneration of ₹1.08 crore from the Company and ₹0.09 crore from its subsidiaries. The remuneration pertains to fees for audit, internal financial control reporting, limited reviews, tax audits and taxation services, certifications and other matters and reimbursement of expenses. In addition, the Statutory Auditors were paid fees in relation to the Rights Issue related services amounting to ₹0.65 crore (excluding applicable taxes).

INTERNAL FINANCIAL CONTROL

The Company has an Internal Audit Department to conduct audit of functional areas and operations of the Company, the adequacy of compliance with policies, procedures, statutory and regulatory requirements. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Significant audit observations and corrective actions thereon are presented to the Audit Committee every quarter. The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The Audit Committee and Board of Directors have approved a documented framework for the internal financial control to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the

accounting records and timely preparation of reliable financial information and disclosures.

DISCLOSURES

Related Party Transactions

The Policy on Related Party Transactions as approved by the Board is available on Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>. There were no material transactions with related parties that may have potential conflict of interest with 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, with Punjab National Bank. All the transactions were in the ordinary course of business and at arm's length.

The Company has taken approval from the shareholders for entering into various banking and other transactions with Punjab National Bank and PNB Gilts Limited in the ordinary

Eight special resolutions were passed at the previous four General Meetings.

course of business. The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website www.pnbhousing.com

Accounting Standards / Treatment

The Company has complied with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') and rules made thereunder. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

Management Discussion and Analysis Report

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

General Meetings

The Annual General Meetings for the last 3 years were held on August 05, 2020 at 3.00 pm, September 03, 2021 at 3.00 pm and July 26, 2022 at 3.00 pm. One EGM was held on June 22, 2021 at 3.00 pm. Due to pandemic, the AGM/EGM were held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) as permitted by MCA circular.

| S.No | Particulars of General Meetings | Venue, location and time | Number of Special resolutions | Nature of resolutions |
|------|---------------------------------|--|-------------------------------|---|
| 1 | AGM - August 05, 2020 | Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) | 1 | To borrow funds and issue of bonds/ non-Convertible debentures and other debt securities. |
| 2 | AGM - September 03, 2021 | do | 1 | To borrow funds and issue of bonds/ non-Convertible debentures and other debt securities. |
| 3 | EGM - June 22, 2021 | do | 2 | Re-appointment of Mr. Chandrasekaran Ramakrishnan (DIN 00580842) as an Independent Director for a second term of 5 (five) years Re-appointment of Mr. Nilesh S Vikamsey (DIN 00031213) as an Independent Director for a second term of 5 (five) years. |
| 4 | AGM - July 26, 2022 | do | 4 | To borrow funds and issue of Non-Convertible Debentures (NCDs) on private placement basis. Approval of Restricted Stock Unit Scheme 2022 of the Company Approval of Employees Stock Option Scheme (ESOP Scheme III 2022) of the Company Approval of amendment in the Employees Stock Option Scheme 2016. |

During the year, the Company had issued following Postal Ballot notices under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; General Circular Nos 14/2020, 17/2020, 33/2020, 39/2020, 10/2021 and 20/2021 issued by the Ministry of Corporate Affairs ("MCA") dated April 08, 2020, April 13, 2020, September 28, 2020, December 31, 2020, June 23, 2021 and December 08, 2021 respectively, ("MCA Circulars"), for seeking the consent of Shareholders for approval.

- On March 09, 2022 for appointment of Mr Binod Kumar as Non-Executive Nominee Director. As per the Scrutinizer's Report, the resolution was approved as embodied in the Postal Ballot Notice with the requisite majority as on the last date of e-voting on April 08, 2022.
- On April 13, 2022 for approval of material related party transactions with Punjab National Bank and PNB Gilts Limited. The resolution was approved as embodied in the



Postal Ballot Notice with the requisite majority as on the last date of e-voting on May 18, 2022.

- c. On November 21, 2022 for appointment of Mr. Girish Kousgi (DIN 08524205) as Managing Director and Chief Executive Officer of the Company, appointment of Mr. Pavan Kaushal (DIN 07117387) as an Independent Director and appointment of Mr. Dilip Kumar Jain (DIN 06822012) as Non-Executive Nominee Director on the Board of the Company. As per the Scrutinizer's Report, the resolutions were approved as embodied in the Postal Ballot Notice with the requisite majority as on the last date of e-voting on December 22, 2022.

The Company had appointed Dr S. Chandrasekaran (Membership No. FCS 1644, CP NO. 715) failing him Mr. Rupesh Agarwal (Membership No. ACS 16302, CP NO. 5673), failing him Mr. Shashikant Tiwari (Membership No, FCS 11919, CP. No. 13050), Partners of M/s Chandrasekaran Associates, Company Secretaries, New Delhi as the Scrutinizer for conducting the e-Voting process in a fair and transparent manner. Accordingly, the above Postal Ballot(s) were conducted by the scrutinizer and a report was submitted.

Details of voting pattern and scrutinizer's report is placed on the website of the company www.pnbhousing.com.

As of now, no special resolution is proposed to be conducted 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 on March 31, 2023 except 6 shares, remaining equity shares of the Company are held in dematerialized form.

The Company has paid the listing fees for the year 2022-23 as per the Listing Regulations to the respective stock exchanges.

Investor Relations

The Company has 1,08,269 shareholders as on March 31, 2023. 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 Report of Directors on Corporate Governance and Management Discussion and Analysis Report.

The Company has an evolved investor relations program. The Company's information is available on the website under Investor Relations section. The shareholders are also intimated through the press, email and Company's website, 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 regulations such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre" and on 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 newspapers and are communicated to the stock exchanges as per the provisions of the Listing Regulations, as amended and uploaded on Company's website. In addition, the Company also publishes quarterly Investor deck, which is placed on the website of the Company.

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 the Financial Year 2022-23, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. As per circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/ CIR/2023/001 dated January 5, 2023 the Company will not be sending Annual Report 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 the Listing Regulations and amendments thereto. The Board has appointed CFO as Chief Investor Relations 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). Company's website has helped to keep 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 the Listing Regulations, as amended, Mr. Girish Kousgi, the Managing Director & CEO and Mr. Vinay Gupta, the Chief Financial Officer 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 non-mandatory requirements, as and when necessary.

COMPLIANCE

The Company has complied with the mandatory requirements as stipulated under Regulation 17 to 27, 46, 34(3) and 53 of the Listing Regulations. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit. The Company has also received a certificate from the Practising Company Secretary confirming that none of the Directors have been debarred or disqualified. During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under the Listing Regulations.

STRICTURES AND PENALTIES DURING LAST 3 YEARS

- a. During FY 2022-23, BSE Limited and NSE Limited have levied a penalty of ₹4.25 lakh each plus GST each on 21/11/2022 and 21/02/2023 for non-compliance with the proviso to Regulation 17 (1) (b) of Listing Regulations i.e., the Board of Directors of the listed entities where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.
- b. During FY 2021-22, BSE Limited and National Stock Exchange of India Limited have levied a penalty of ₹2.70 lakh each plus GST each for delay in appointment of woman director. The National Housing Bank has imposed a monetary penalty of ₹0.80 lakh plus GST on the Company for non-adherence of policy circular no. 58 and 75.
- c. During FY 2020-21, the National Housing Bank has imposed a penalty of ₹190.00 lakh plus GST on the Company.

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

Managing Director & CEO

Date: June 22, 2023

EXTRACTS FROM POLICY ON RELATED PARTY TRANSACTIONS

I. INTRODUCTION

PNB Housing Finance Limited (**'the Company'**) is a public limited company incorporated on November 1, 1988 under the Companies Act, 1956 (Corporate Identity Number L65922DL1988PLC033856). The Company is registered as a Housing Finance Company with the National Housing Bank (NHB) under the NHB Act, 1987.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 requires a Company to adopt a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

In view of the above, the Board of Directors (**"Board"**) of the Company has adopted the Policy on Related Party Transactions (**"Policy"**).

II. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- i. Materiality of Related Party Transactions;
- ii. Manner of dealing with the transactions between the Company and its Related Parties and other Related Party Transactions, as may be required, in accordance with the Companies Act, 2013, Regulation 23 of the SEBI Listing Regulations and any other statute, law, standards, regulations relating to Related Party Transactions; and
- iii. Laying down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable in the best interest of the Company

III. DEFINITIONS

- i. **'Act'** means the Companies Act, 2013, as amended from time to time.
- ii. **'Arm's Length Transaction'** means a transaction between the Company and its Related Party(ies) that is conducted as if they are unrelated, so that there is no conflict of interest.



- iii. **'Audit Committee'** means Audit Committee of Board of Directors of the Company constituted under provisions of the Act and SEBI Listing Regulations.
- iv. **'Board of Directors'** or **'Board'** means Board of Directors of the Company as constituted from time to time.
- v. **'Company'** means PNB Housing Finance Limited.
- vi. **'Compliance Officer'** may be a Company Secretary of the Company or any other person as may be authorized by the Board for this purpose.
- vii. **"Material modification"** shall mean any modification made in the terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved which, individually or taken together with previous modifications during a financial year, results in variation in the value of the Related Party Transaction, as tabulated in the Annexure (except for the specified transactions covered as per the Act) or has significant impact on the nature, tenure, exposure, as may be determined by the Audit Committee from time to time;

Provided that a modification shall be material, if by such modification, the terms of the contract cease to be arms' length.

Provided further that the following shall not be considered as material modification -

- modifications which may be mandated pursuant to change in law;
- modifications pursuant to and in accordance with the terms of the approved transaction/contract apart from the above defined material modification;
- modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.) approved by appropriate authority;
- modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- modifications uniformly affected for similar transactions with unrelated parties;

viii. **'Material Related Party Transaction'**

A. Under the SEBI Listing Regulations:

- a. means transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is less.
- b. a transaction involving payments made to a Related Party with respect to brand usage or

royalty shall also be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

B. Under the Act:

means transactions as defined under Section 188(1) of the Act with Related Parties as defined under Section 2(76) of the Act where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under the Act from time to time. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 prescribes the specified transactions and threshold limits as tabulated below:

| Prescribed transaction categories | Threshold Limits |
|--|---|
| Sale, purchase or supply of any goods or material (directly or through an agent) | Amounting to 10 per cent or more of turnover of the Company |
| Selling or otherwise disposing of, or buying, property of any kind (directly or through an agent) | Amounting to 10 per cent or more of net worth of the Company |
| Leasing of property of any kind | Amounting 10 per cent or more of turnover of the Company |
| Availing or rendering of any services (directly or through an agent) | Amounting to 10 per cent or more of turnover of the Company |
| Appointment to any office or place of profit in the company, subsidiary company or associate company | Remuneration exceeding ₹2.5 lakh per month of the Company |
| Underwriting the subscription of any securities or derivatives of the company | Remuneration exceeding one per cent of net worth of the Company |

ix. **'Related Party(ies)'** shall have the same meaning as defined under the Act, SEBI Listing Regulations and Indian Accounting Standards (Ind AS) including all amendments and modifications thereof from time to time.

Further, as per SEBI Listing regulation:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or

- (ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

- x. **'Related Party Transaction'** means a transaction involving transfer of resources, services or obligations between:
 - (i) the Company or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand with effect from April 1, 2022; or
 - (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; whether a price is charged or not.

A transaction with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.

- xi. **'SEBI Listing Regulations'** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereof.
- xii. **"Specified Transaction"** means the transaction which has been specified in Section 188 of the Act.
- xiii. **'Stock Exchange'** means the stock exchange where equity shares of the Company are listed.
- xiv. **'Turnover'** Turnover or Net Worth shall be on the basis of the Audited Financial Statement of the preceding Financial year.

Unless the contrary is apparent from context, words and expressions used and not defined in this Policy shall have the same meaning as contained in the Act read with rules made thereunder, the SEBI Listing Regulations or any other cognate statute.

IV. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

IV.1. Identification of Related Parties and Related Party Transactions:

- i. Every Director and/or Key Managerial Personnel of the Company shall disclose to the Compliance Officer 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 organizations in which he/ she is interested along with unique identification number/ PAN, whether directly or indirectly including details of relatives etc.

- ii. The Chief Financial Officer shall maintain a complete list of Related Parties, and update the same as and when any change is necessitated. The list shall be disseminated to all business functionaries for their ready reference while undertaking any transaction.
- iii. Besides, the Chief Financial Officer shall also maintain a list of Related Parties of its subsidiaries, which may be sourced from respective subsidiaries on a periodic (quarterly) basis or as and when needed. Adequate systems must be in place to ensure that the RPTs in which the Company is not a party, but the subsidiary is a party, shall be brought to the information of the Company in a timely manner, for necessary approvals, wherever required.
- iv. The Chief Financial Officer will be responsible for providing prior notice to the Compliance Officer 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.
- v. The suggested details and list of records and supporting documents which are required to be provided to the Audit Committee, Board and shareholders of the Company for the proposed Related Party Transaction are provided in **Annexure II** to this Policy.
- vi. 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. The Audit Committee shall have the right to obtain external professional advice in relation to related party transactions.

IV.2. Approval Mechanism for Related Party Transaction

IV.2.1. Approval by the Audit Committee

All Related Party Transactions and Material Modification(s) thereto shall require **prior** approval of the Audit Committee irrespective of whether such transactions are in the ordinary course of business and/ or at arm's length or not.

Prior approval of the Audit Committee of the listed entity shall also be required in case of a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of annual consolidated turnover (w.e.f. April 1, 2023, 10% of the annual standalone turnover, as per the last audited financial statements of the



subsidiary), as per the last audited financial statements of the Company;

However, such prior approval shall not be required for (i) a related party transaction wherein Regulation 23 is applicable to such subsidiary, since in that case prior approval of the audit committee of the subsidiary will be obtained; and (ii) such other transactions which may be exempted under the Listing Regulations, from time to time.

Approval of the Audit Committee shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly- Owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for approval. However, approval shall be required in case of Specified Transaction between the Company and its wholly owned subsidiary company.

Transactions for which prior approval has been accorded by the Audit Committee, should be placed for review by the Audit Committee at such intervals, as may be decided by the Audit Committee, but least on an annual basis.

Only those members of the Audit Committee who are independent directors, shall approve Related Party Transactions. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

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 keeping in mind repetitiveness and justification for the need for the 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:

- i. 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.
- ii. The omnibus approval granted by the Audit Committee shall indicate the following :-
 - a. name of the Related Party(ies);
 - 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:
- iii. 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).
- iv. 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.
- v. The omnibus approval provided by the Audit Committee shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
- vi. Such omnibus approval shall not be made by the Audit Committee for the transactions in respect of selling or disposing of the undertaking of the Company.

IV.2.2. Approval by the Board

- i. Related Party Transaction shall require Board approval in the following cases:
 - a. If the Related Party 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; or
 - d. the Related Party Transaction needs to be approved by the Board under any law for the time being in force.

- ii. Approval of the 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.
- iii. The considerations set forth above in case of Audit Committee shall also apply to the Board's review and approval of the proposed Related Party Transaction with such modification as may be necessary or appropriate under the circumstances.
- iv. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

IV.2.3. Approval by the Members

Unless exempted under the Act/SEBI Listing Regulations, as the case may be, all Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders by way of an ordinary resolution. No Related Party(ies) shall vote to approve such resolutions whether the person/entity is a related party to the particular transaction or not.

Approval of the members shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for approval.

| Type of RPT | Approving body | | |
|---|-----------------|-------|--------------|
| | Audit Committee | Board | Shareholders |
| Material RPTs | ● | | ● |
| Material modifications in RPTs, where RPT is material | ● | | ● |
| Material modifications in RPTs, where RPT is not material | ● | | |
| Not in ordinary course / arm's length & not material | ● | ● | |
| Not in ordinary course / arm's length & material | ● | ● | ● |

IV.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:

- i. 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;
- ii. 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;
- iii. 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
- iv. 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.

V. 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 the transaction 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 Chief Financial Officer/ Compliance Officer 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 in accordance with the provisions of the Act/Listing Regulations.

VI. DISCLOSURES AND REPORTING

The Company shall make all disclosures and reporting in accordance with the provisions of applicable laws, including the following -

- 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 Annual Report shall contain Related Party disclosure in accordance with all applicable laws, including accounting standards and RBI Master Directions.
- iii. The Compliance Officer shall also make necessary entries in the Register of Contracts or Arrangement required to be maintained under the Act.



- iv. Details of all Material Related Party Transactions with its Related Parties and 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount shall be disclosed in the quarterly compliance report on corporate governance as per the provisions of SEBI Listing Regulations.
 - v. The Company shall submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year (and on the date of publication of its standalone and consolidated financial results, w.e.f. April 1, 2023), disclosures of Related Party Transactions on a consolidated basis, in the format specified in the SEBI Listing Regulations as amended from time to time and publish the same on its website.
 - vi. The Company shall disclose the Policy on dealing with Related Party Transactions on its website and also in the Annual Report, in accordance with RBI Master Directions.
- buy-back of securities;
 - Acceptance of fixed deposits by the Company at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of Related Party Transactions every six months to the stock exchange(s), in the format as specified by the Board
 - such other exclusions and exemptions as may be provided under the Act/ SEBI Listing Regulations, or other applicable laws from time to time.

VIII. POLICY REVIEW AND DISSEMINATION

This Policy shall be reviewed annually by the Board or at earlier intervals as deemed necessary. Consequent upon any change in the SEBI Listing Regulations/Act or any other applicable law/ regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy.

The Company shall upload this Policy on its website and a web link of the same will be provided in the Annual Report.

VII. NON APPLICABILITY

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

The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- payment of dividend;
- subdivision or consolidation of securities;
- issuance of securities by way of rights issue or a bonus issue; and

IX. INTERPRETATION

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI Listing Regulations.

In the event of any conflict between the provisions of this Policy and the Act or the SEBI Listing Regulations or any other statutory enactments or rules, the provisions of the SEBI Listing Regulations / the Act or statutory enactments, rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

ANNEXURE I

Material Modification on type of Related Party Transactions

| Type of Transactions | Variation in the value of transaction (%) | Variation in the nature | Variation in tenure (%) | Variation in exposure |
|--|---|---|-------------------------|--|
| Loans raised – External commercial borrowings – Non-Convertible debentures – Commercial Paper – Term Loans/ working capital loans/ Overdraft/ cash credit – Fee/charges in relation to above | 10 | Secured converted to unsecured or vice versa | 10 | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Interest expense on the loan raised | NA | Secured converted to unsecured or vice versa | 10 | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Fixed deposit made | 10 | Premature withdrawal / Variation in the basis of computation of deposit rates | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Fixed deposit accepted | 10 | Variation in the basis of computation of deposit rates | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Interest income / expense on fixed deposit made / accepted | NA | NA | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Assignment of loan including the servicing fees earned in relation to the assignment | 10 | NA | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Routine banking transactions in the current account maintained with bank in line with bank mandate (including collection or disbursement of loans and incidental bank charges) | NA | NA | NA | NA |
| Sale / purchase of government securities | 10 | NA | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Rent, maintenance and other fees/charges | 10 | NA | NA | Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy. |
| Remuneration, sitting fees, commission etc. to Key Managerial / Management Personnel | NA | NA | NA | The underlying policy approved by the Board / Committee governing the policy. |
| Donation for CSR | NA | NA | NA | The underlying policy approved by the Board / Committee governing the policy. |



ANNEXURE II

INFORMATION TO BE PROVIDED IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION)

- i. Name, PAN of the Related Party and nature of relationship;
- ii. Nature and duration of the contract/transaction and particulars thereof;
- iii. Material terms of the contract or arrangement or transaction including the value, if any;
- iv. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price/ value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- v. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- vi. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
- vii. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
- viii. Applicable statutory provisions, if any;
- ix. Valuation reports in case of sale or purchase or leasing/ renting of capital assets or securities; if any.
- x. Justification as to the arm's length nature of the proposed transaction;
- xi. Declaration whether the transaction is in the ordinary course of business;
- xii. Any other information prescribed under applicable regulation or relevant for the Committee / Board to take a decision on the proposed transaction.

ANNEXURE 4

GENERAL SHAREHOLDERS' INFORMATION

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

35th Annual General Meeting

Date: August 10, 2023

Day: Thursday

Time: 4:00 P.M. (IST)

Venue: Audio Video Means

FINANCIAL YEAR

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

DIVIDEND PAYMENT

The Board of Directors of Company have not declared any dividend for the Financial Year 2022-23.

LISTING ON STOCK EXCHANGE

Equity Shares of PNB Housing Finance Limited are listed on the below mentioned Stock Exchanges. The International Securities Identification Number (ISIN) in respect of the equity shares of the Company is **INE572E01012**.

| Stock Exchange | National Stock Exchange of India Limited (NSE) | 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 |

DEBT SECURITIES & COMMERCIAL PAPER

The Non-Convertible Debentures (NCDs) and Commercial Papers of PNB Housing Finance are listed for trading on the National Stock Exchange (NSE).

LISTING FEES

The Company confirms payment of Annual Listing fees to NSE and BSE for the financial year 2023-24.

STOCK MARKET PRICE DATA

The High and Low price (based on daily closing prices) and the volume of equity shares traded during each month in FY 2023 on NSE and BSE, are as under:

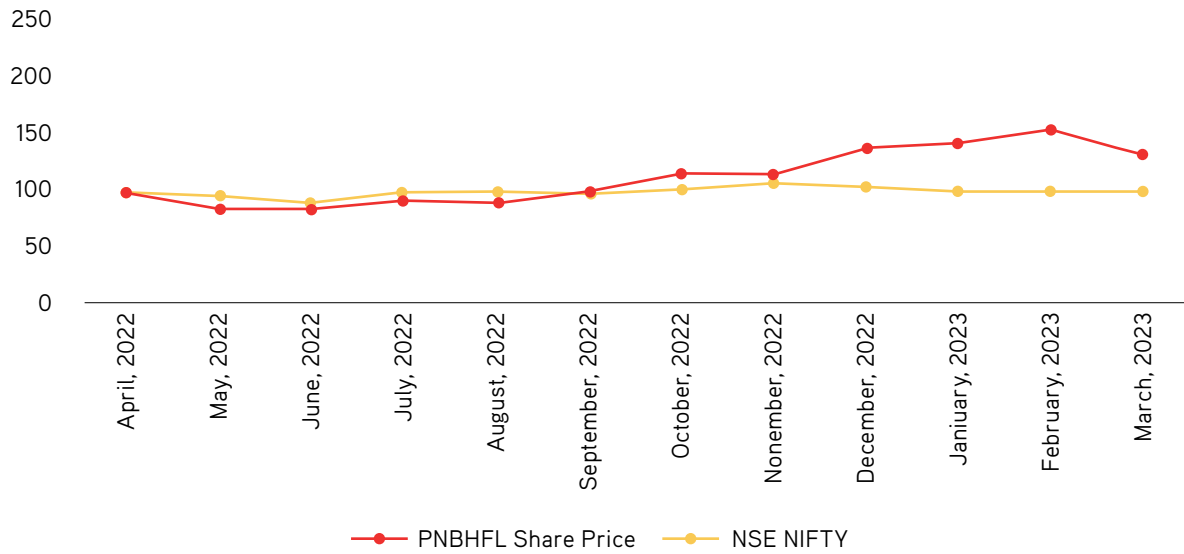
| Month | NSE | | | BSE | | |
|----------|---------|--------|---------------------|---------|--------|---------------------|
| | High(₹) | Low(₹) | Total Equity Volume | High(₹) | Low(₹) | Total Equity Volume |
| Apr-2022 | 426.60 | 375.00 | 68,10,324 | 426.15 | 375.20 | 6,45,473 |
| May-2022 | 377.85 | 311.45 | 27,99,325 | 377.90 | 312.00 | 4,29,017 |
| Jun-2022 | 409.00 | 318.05 | 1,26,85,507 | 409.95 | 317.50 | 7,49,734 |
| Jul-2022 | 365.00 | 324.10 | 38,62,461 | 365.00 | 323.40 | 3,05,419 |
| Aug-2022 | 378.75 | 341.50 | 66,80,608 | 378.90 | 341.95 | 3,63,973 |
| Sep-2022 | 454.00 | 349.95 | 2,06,97,935 | 453.80 | 348.55 | 23,63,731 |
| Oct-2022 | 460.90 | 380.15 | 1,39,43,090 | 460.70 | 380.85 | 9,74,442 |
| Nov-2022 | 454.35 | 415.00 | 61,48,288 | 454.10 | 411.45 | 5,33,210 |
| Dec-2022 | 543.00 | 420.30 | 4,31,29,345 | 542.70 | 420.10 | 21,89,490 |
| Jan-2023 | 600.50 | 521.05 | 3,97,69,056 | 600.85 | 520.45 | 22,17,739 |
| Feb-2023 | 611.85 | 506.25 | 1,38,02,183 | 612.00 | 505.90 | 8,64,341 |
| Mar-2023 | 654.80 | 462.50 | 2,67,80,899 | 654.25 | 464.00 | 12,28,663 |

Source: www.nseindia.com and www.bseindia.com



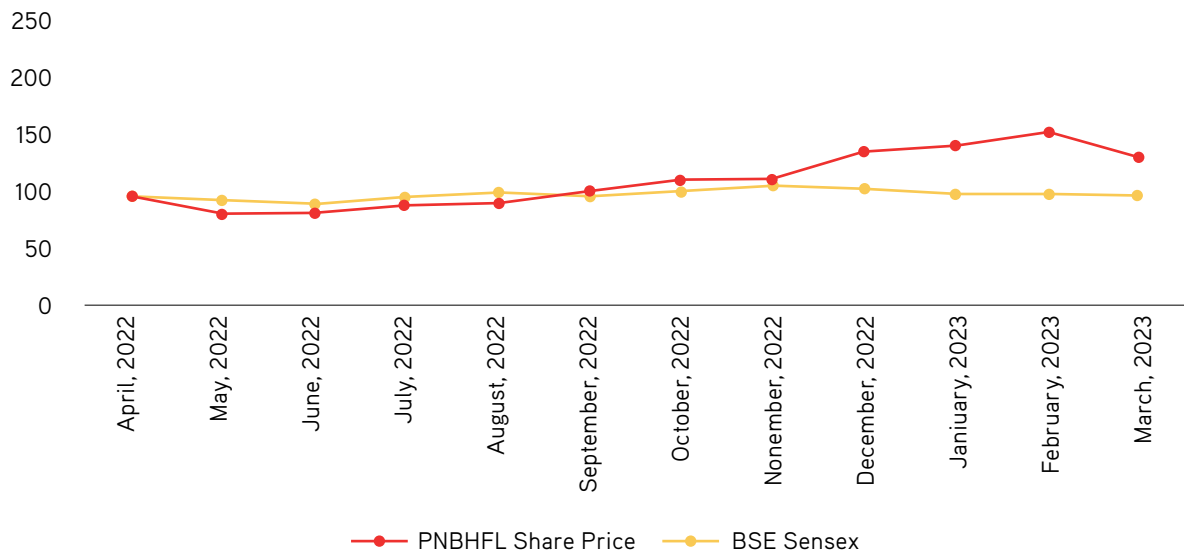
Performance of the Share Price of Company in comparison to broad base indices

PNBHFL share price & NSE Nifty 50 movement



Note: PNB Housing Finance share price and NSE Nifty 50 index values on April 1, 2022, have been baselined to 100.

PNBHFL share price & BSE Sensex 50 movement



Note: PNB Housing Finance share price and BSE Sensex index values on April 1, 2022, have been baselined to 100.

REGISTRAR AND TRANSFER AGENT

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

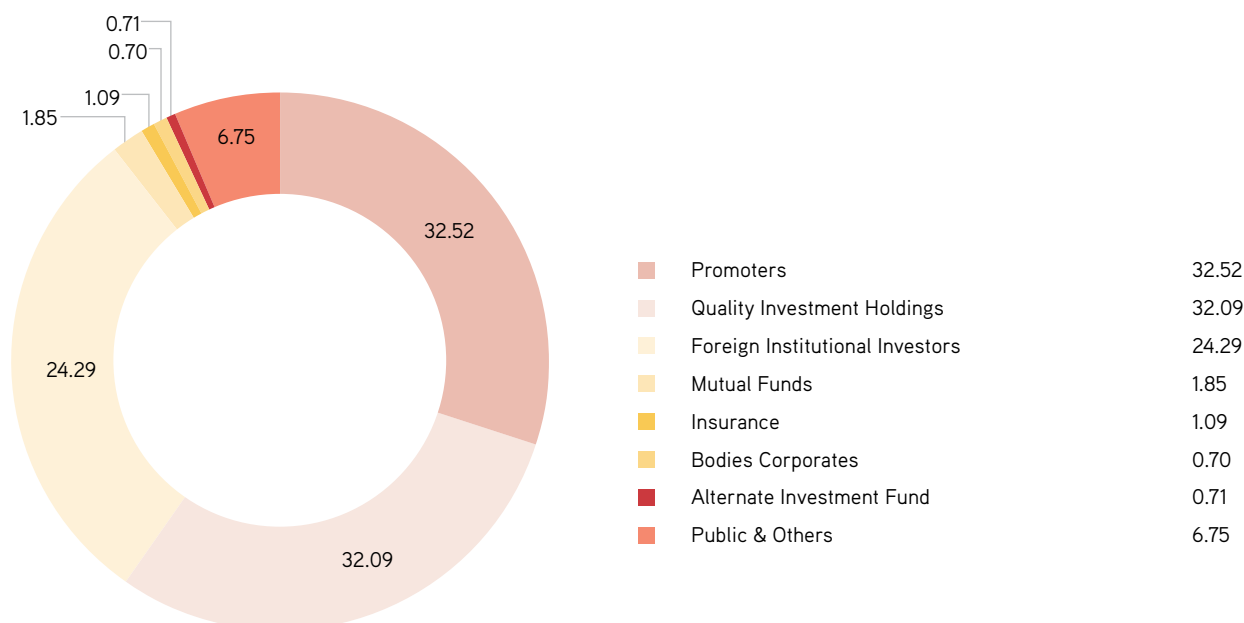
SHARE TRANSFER SYSTEM

All the equity shares of the Company are held in Dematerialized form except 6 shares which are held in physical form. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records. Certificates are being obtained and submitted to Stock Exchanges on yearly basis, from a Company Secretary in practice towards due compliance of share transfer formalities by the company within the due dates, in terms of Regulation 40 (9) of SEBI LODR Regulations, 2015.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

| S. NO. | Number of Shares | NO. OF SHARE HOLDERS | % OF TOTAL | TOTAL NO. SHARES | % OF TOTAL SHARES |
|--------|------------------|----------------------|---------------|---------------------|-------------------|
| 1 | 1 to 500 | 1,06,829 | 97.01 | 49,16,380 | 2.91 |
| 2 | 501 to 1000 | 1,704 | 1.55 | 13,13,032 | 0.78 |
| 3 | 1001 to 2000 | 736 | 0.67 | 10,90,114 | 0.65 |
| 4 | 2001 to 3000 | 288 | 0.26 | 7,15,214 | 0.42 |
| 5 | 3001 to 4000 | 115 | 0.10 | 4,08,270 | 0.24 |
| 6 | 4001 to 5000 | 101 | 0.09 | 4,72,232 | 0.28 |
| 7 | 5001 to 10000 | 144 | 0.13 | 10,56,820 | 0.63 |
| 8 | 10001 to above | 207 | 0.19 | 15,88,83,756 | 94.09 |
| | Total | 1,10,124 | 100.00 | 16,88,55,818 | 100.00 |

SHAREHOLDING PATTERN AS ON MARCH 31, 2023





Top 10 shareholders of the Company as on March 31, 2023

| Sl. No. | Particulars | Number of equity shares held | Percentage of holding |
|---------|---|------------------------------|-----------------------|
| 1 | Punjab National Bank | 5,49,14,840 | 32.52 |
| 2 | Quality Investment Holdings PCC | 5,41,92,300 | 32.09 |
| 3 | Investment Opportunities V Pte. Limited | 1,66,87,956 | 9.88 |
| 4 | General Atlantic Singapore Fund FII Pte Ltd | 1,65,93,240 | 9.83 |
| 5 | Tata Mutual Fund- Tata Equity P/E Fund | 16,00,000 | 0.95 |
| 6 | Pioneer Investment Fund | 10,80,000 | 0.64 |
| 7 | United India Insurance Company Limited | 8,97,502 | 0.53 |
| 8 | Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds | 8,05,946 | 0.48 |
| 9 | Vanguard Total International Stock Index Fund | 7,94,055 | 0.47 |
| 10 | Morgan Stanley Asia (Singapore) Pte. - ODI | 7,42,859 | 0.44 |

DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

The Company obtains annual 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

The Company does not have any outstanding convertible instruments as on March 31, 2023.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During Financial Year 2022-23, 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.

SUSPENSION OF SECURITIES

The securities of the Company were never suspended from trading since its listing.

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:

PNB Housing Finance Limited

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

CREDIT RATING

Ratings assigned by Credit Rating Agencies and migration of rating during the year:

| Instrument | Rating Agency | Latest Ratings Assigned (As on March 31, 2023) | Migration during the year | Rating as on April 01, 2022 |
|----------------------------|-----------------------|--|---|-----------------------------|
| Fixed Deposit | CRISIL Limited | AA (Outlook-Stable)* | Outlook revised from Negative to Stable | FAA+ (Outlook-Negative) |
| | CARE Ratings Limited | AA (Outlook- Stable) | No change | AA (Outlook- Stable) |
| Non-Convertible Debentures | CRISIL Limited | AA (Outlook-Stable)* | Outlook revised from Negative to Stable | AA (Outlook- Negative) |
| | ICRA Limited | AA (Outlook- Stable)^ | Outlook revised from Negative to Stable | AA (Outlook- Negative) |
| | India Ratings Limited | AA (Outlook- Stable)# | Outlook revised from Negative to Stable | AA (Outlook- Negative) |
| | CARE Ratings Limited | AA (Outlook- Stable) | No change | AA (Outlook- Stable) |
| Commercial Papers | CRISIL Limited | A1+ | No change | A1+ |
| | CARE Ratings Limited | A1+ | No change | A1+ |
| Bank Loans | CRISIL Limited | AA (Outlook-Stable)* | Outlook revised from Negative to Stable | AA (Outlook- Negative) |
| | CARE Ratings Limited | AA (Outlook- Stable) | No change | AA (Outlook- Stable) |

^ICRA revised the outlook of rating to stable from negative vide press release dated April 12, 2022.

*CRISIL revised the outlook of rating to stable from negative vide press release dated October 21, 2022.

#India Ratings Limited revised the outlook of rating to stable from negative vide press release dated February 27, 2023.


VLA & ASSOCIATES
COMPANY SECRETARIES

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]

The Members

PNB Housing Finance Limited

9th Floor, Antriksh Bhawan,
22 K G Marg, New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PNB Housing Finance Limited** having CIN L65922DL1988PLC033856 and having registered office at Office no. 9th Floor, Antriksh Bhawan, 22 KG Marg, New Delhi- 110001 (hereinafter referred to as '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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, or any such other Statutory Authority, for the Financial Year ended on March 31, 2023.

| Sl. No. | Name of Directors | Category | DIN | Date of appointment | Date of cessation, if any |
|---------|-------------------------------------|--|----------|---------------------|---------------------------|
| 1. | Mr. Sunil Kaul | Non-Executive - Nominee Director | 05102910 | 05.03.2015 | - |
| 2. | Mr. Chandrasekaran Ramakrishnan | Non-Executive - Independent Director | 00580842 | 07.10.2015 | - |
| 3. | Mr. Nilesh Shivji Vikamsey | Non-Executive - Independent Director | 00031213 | 22.04.2016 | - |
| 4. | Mr. Ashwani Kumar Gupta | Non-Executive - Independent Director | 00108678 | 12.05.2017 | 11.05.2022 |
| 5. | Mr. Tejendra Mohan Bhasin | Non-Executive - Independent Director | 03091429 | 02.04.2020 | - |
| 6. | Mr. Neeraj Madan Vyas | Non-Executive - Non Independent Director | 07053788 | 01.09.2020 | - |
| 7. | Mr. Sudarshan Sen | Non-Executive- Independent Director | 03570051 | 01.10.2020 | - |
| 8. | Mr. Kapil Modi | Non-Executive - Nominee Director | 07055408 | 01.10.2020 | - |
| 9. | Ms. Gita Nayyar | Non-Executive - Independent Director | 07128438 | 29.05.2021 | - |
| 10. | Mr. Hardayal Prasad | Managing Director and CEO | 08024303 | 10.08.2020 | 20.10.2022 |
| 11. | Mr. Binod Kumar | Non-Executive - Nominee Director | 07361689 | 12.01.2022 | 21.10.2022 |
| 12. | Mr. Dilip Kumar Jain | Non-Executive - Nominee Director | 06822012 | 04.11.2022 | - |
| 13. | Mr. Atul Kumar Goel | Non-Executive - Nominee Director | 07266897 | 28.04.2022 | - |
| 14. | Mr. Kousgi Sreenivasa Murthy Girish | Managing Director and CEO | 08524205 | 21.10.2022 | - |
| 15. | Mr. Pavan Pal Kaushal | Non-Executive - Independent Director | 07117387 | 27.10.2022 | - |

- Mr. Binod Kumar (07361689) was appointed as Additional Director on 12th January, 2022 and on 08th April, 2022 was appointed as Nominee Director through Postal Ballot. Furthermore, he is ceased to be Director w.e.f. 21st October, 2022.
- Mr. Atul Kumar Goel (DIN: 07266897) was appointed as Additional Director w.e.f. 28th April, 2022 and on 26th July, 2022, was appointed as a Nominee Director through the resolution passed at AGM.
- Mr. Kousgi Sreenivasa Murthy Girish (DIN: 08524205) was appointed as Managing Director and Chief Executive Officer w.e.f. 21st October, 2022 and on 22nd December, 2022, was appointed as Managing Director and Chief Executive Officer through Postal Ballot.
- Mr. Pavan Pal Kaushal (DIN: 07117387) was appointed as Additional Director w.e.f. 27th October, 2022 and on 22nd December, 2022, was appointed as Independent Director through Postal Ballot.
- Mr. Dilip Kumar Jain (DIN: 06822012) was appointed as Nominee Director w.e.f. 04th November, 2022 and on 22nd December, 2022, was appointed as Nominee Director through Postal Ballot.

Ensuring the eligibility for 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 management has conducted the affairs of the Company.

For VLA & Associates
Practicing Company Secretaries

Sd/-

Vishal Lochan Aggarwal

(Proprietor)

Membership No.: F7241

C. P. No.: 7622

UDIN: F007241E000459902

Date: 06.06.2023

Place: New Delhi

FORM AOC- 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTION UNDER THIRD PROVISIO IS GIVEN BELOW:

1. Details of contracts or arrangements not at Arm's length basis : **NIL**
2. Details of material contracts or arrangements or transactions at Arm's length basis are as under*:

| S. No. | Name of the Party with which the contract is entered into | Nature of Contract/ Transaction | Duration of Contract | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval at the meeting of the Board | Amount paid as advances, if any, |
|--------|---|--|----------------------------------|---|--|----------------------------------|
| 1. | Punjab National Bank (Promoter) | (i) Banking Transactions/ loan transactions/ credit facility/ term deposit/investment in securities issued by the Company (ii) Assignment/ securitisation/ sale of loan assets (iii) Acceptance/Placing of Fixed Deposits (iv) Any other related transactions for the relevant period on an ongoing basis. (The value of transactions is disclosed in notes to accounts) | April 01, 2022 to March 31, 2023 | All the transactions were in the ordinary course of business and at arms' length and were duly approved by the Audit Committee of Board and Members of the Company. The transactions with Punjab National Bank are banking transactions with a large public sector bank. | The Company has taken omnibus approval of the Audit Committee on March 26, 2022. | Nil |
| 2. | PNB Gilts Limited (Subsidiary of Promoter) | (i) Sale/purchase of securities (ii) Maintenance of SGL Account (iii) Any other related transactions for the relevant period on an ongoing basis. (The value of transactions are disclosed in notes to accounts) | - do - | All the transactions are in ordinary course of business and at arms' length and were duly approved by the Audit Committee of Board and Members of the Company. The transactions with PNB Gilts Limited (Subsidiary of PNB) are in the nature of sale and purchase of securities and payment of brokerage and fees. | The Company has taken omnibus approval of the Audit Committee on March 26, 2022. | Nil |

*All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover for the purpose of Section 188(1) of the Act.

For and on behalf of the Board

Date: June 22, 2023
Place: New Delhi

Girish Kousgi
Managing Director & CEO

Atul Kumar Goel
Non-Executive Director