



Regd. Office: 9th Floor Antriksh Bhawan, 22 K G Marg, New Delhi

June 21, 2021

The BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited,
Listing Department
"Exchange Plaza"
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

Sub: Intimation to Stock Exchanges

Please refer to the intimation made by the Company on June 21, 2021 at 8:30AM, regarding the filing of an appeal before the Securities Appellate Tribunal against the letter issued by the Securities and Exchange Board of India on June 18, 2021.

The Securities Appellate Tribunal heard the appeal on June 21, 2021 and passed an order *inter alia* directing that "we direct that the EGM would be held on June 22, 2021 and the members of the Company would consider agenda no. 1. However, the results would not be declared and would be kept in a sealed cover". Please refer to the order, as enclosed.

You are requested to take note of the above.

Thanking You,

For PNB Housing Finance Limited


Sanjay Jain
Company Secretary & Head Compliance

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 21.06.2021

Appeal No. 423 of 2021

PNB Housing Finance Limited

...Appellant

Versus

Securities and Exchange Board of India

...Respondent

Mr. Janak Dwarkadas, Senior Advocate with Mr. Rohan Rajyadhaksha, Mr. Prashant Gupta, Mr. Anuj Berry, Ms. Manjiri Tyagi, Ms. Deepika Goyal, PSS Bhargava and Mr. Aryan Agarwal, Advocates i/b Shardul Amarchand Mangaldas & Co. for the Appellant.

Mr. Mustafa Doctor, Senior Advocate with Mr. Mihir Mody, Mr. Arnav Misra and Mr. Mayur Jaisingh, Advocates i/b K. Ashar & Co. for the Respondent.

ORDER:

1. An urgent mention was made by Shri Janak Dwarkadas, the learned senior counsel for the appellant in the morning today when the Tribunal assembled seeking urgency in a matter. Considering the urgency we directed the Registry to issue a supplementary cause list and list the appeal for admission at 3.00 p.m. today.
2. We have heard Shri Janak Dwarkadas, the learned senior counsel along with Shri Rohan Rajyadhaksha, Shri Prashant

Gupta, Shri Anuj Berry, Ms. Manjiri Tyagi, Ms. Deepika Goyal, PSS Bhargava and Shri Aryan Agarwal for the appellant and Shri Mustafa Doctor, the learned senior counsel along with Shri Mihir Mody, Shri Arnav Misra and Shri Mayur Jaisingh for the respondent at some length

3. The appellant is a registered housing finance company and is engaged in the business of providing retail and corporate loans. It is alleged that they were running into some financial difficulties and were seeking investors for the purpose of raising their capital. It is also alleged that three of the existing shareholders along with an outsider proposed to pump in certain amount of funds into the Company. Based on this the board of directors issued a resolution dated May 31, 2021 approving issuance and allotment of equity shares and warrants to the proposed allottees by way of preferential allotment on a private placement basis for cash consideration in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations' for short). The said resolution also directed to convene an Extra Ordinary General Meeting ('EGM' for short) on June 22, 2021 to seek approval from the members of the Company in accordance with Section 62(1)(c) of the Companies Act, 2013.

4. By the impugned order of the General Manager of the respondent SEBI dated June 18, 2021 which seems to have been communicated to the appellant through e-mail in the late hours of June 18, 2021. The respondent has directed the Company not to consider Item No. 1 of the EGM notice dated May 31, 2021 till such time as an independent valuation of the shares is done by a registered independent valuer and thereafter the matter is placed before the board of directors afresh for deciding the preferential allotment based on the valuation given. The appellant has filed the present appeal being aggrieved by this direction.

5. After hearing the learned counsel for the parties the crux of the matter is as to whether a valuation report from registered valuer is required to be done as per the Articles of Association of the Company or whether the valuation of the shares required to be done as per Section 164 of the ICDR Regulations. It has been contended that under Section 62(1)(c) of the Companies Act a provision has been made for valuation through a registered valuer but under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 this requirement has been dispensed with where preferential allotment of shares is being

issued by a listed company. We also find that electronic voting of Item No. 1 of the agenda has already commenced since the morning of June 18, 2021 and would continuing till 5.00 p.m. of June 21, 2021.

6. In the light of the aforesaid, when the electronic voting has already commenced it would not be fair to stay the consideration of agenda no. 1 of the EGM notice dated May 31, 2021 which is going to be held on June 22, 2021.

7. Considering the aforesaid that no factual dispute exists and only an interpretation of the provisions of the ICDR Regulations and Companies Act read with Articles of Association is required to be considered we direct the respondent to file a reply on or before June 26, 2021. Rejoinder, if any, may be filed by July 4, 2021. The matter would be taken for admission and for final disposal on July 5, 2021 as the first case in the cause list after the admission cases.

8. In the meanwhile, we direct that the EGM would be held on June 22, 2021 and the members of the Company would consider agenda no. 1. However, the results would not be declared and would be kept in a sealed cover. In this regard the Company would issue specific directions to NSDL who is

in-charge of the electronic voting not to reveal the results and keep the same in a sealed cover till further orders of this Tribunal.

9. Parties are directed to take instructions from the Registrar 48 hours before the date fixed in order to find out as to whether the matter would be taken up for hearing through video conference or through physical hearing.

10. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

21.06.2021
msb

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by RAJALAKSHMI H
KSHMI NAIR
Date: 2021.06.21
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