



# BUILT TO LAST

**31<sup>st</sup>**

**ANNUAL REPORT  
2018-19**

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## INTRODUCING PNB HOUSING FINANCE LIMITED (PNB HOUSING)

PNB Housing is a registered housing finance company with the National Housing Bank (NHB). The Company was incorporated under the Companies Act, 1956 and commenced operations from November 11, 1988. Punjab National Bank (PNB) is our promoter. PNB Housing equity shares were first issued to the public in November 2016. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

## FY 2018-19 AT A GLANCE

Disbursement	Asset under management
<b>₹36,079 crores</b>	<b>₹84,722 crores</b>
9% ↑	36% ↑
Loan assets	Total revenue
<b>₹74,023 crores</b>	<b>₹7,683 crores</b>
30% ↑	40% ↑
Profit after tax	Earnings per share
<b>₹1,192 crores</b>	<b>₹71.2</b>
42% ↑	41% ↑

'Built to last' has a wide-ranging connotation for us.

It encapsulates the virtue of resilience amidst adversities, an enduring testament to our robust value system and capabilities and how they help us navigate industry challenges and economic cycles with confidence.

It demonstrates the commitment to serve large segments that starts with building a country-wide footprint with rich local insight and flexibility to serve the last-mile customer.

It reflects the Company's differentiated product mix, value proposition and constant pursuit of margin-accretive growth across focused market segments.

The products and services offered are aligned with customer aspirations, and we primarily cater to a defined market, which is not only large in volume but also healthy from an asset quality perspective.

Our offerings and services were evolved to set higher performance benchmarks, FY 2018-19 saw delivery of stakeholder commitments with speed.

We will continue to build on the competitive advantages and efficiencies, so that the value we create for the nation lasts for the long term.







# Strengths Values





A 17<sup>th</sup> century architectural marvel that remained unconquered until India won independence. Janjira Fort is on an island, off the Arabian Sea, encircled by water from all sides. It epitomises ancient engineering and craftsmanship. This strongly resonates with the stable edifice of PNB Housing's capabilities and values that was built brick by brick with meticulous care and perseverance.



Janjira Fort, Maharashtra

## Corporate Profile

# WE ARE PNB HOUSING

A catalyst in the nation's progress, PNB Housing is creating roofs for millions of citizens in India. We are helping realise the dreams of home aspirants far and wide, for over three decades now. Our modest yet determined vision is to be considered as one of the most admired housing finance companies in the country.



**One of India's fastest-growing housing finance companies**, fifth largest in terms of assets managed and second largest in terms of size of deposits



**1,609 employees** drive us through their skill, talent and relentless focus on excellence



**102 branches and 23 hubs in 62 unique cities** bring us closer to customers



**~75% of our corporate social responsibility (CSR) spend** is directed towards empowering construction workers and their families





**We have been recognised as a Great Place To Work** two years in a row



**ISO-certified central operations with four delivery/processing units** represent our backbone



**>60% of our asset customers** have migrated to digital platforms



Our portfolio quality remains robust with **one of the lowest gross non-performing assets at 0.48% of the loan assets**



**A well-defined, strong and scalable unique operating model** helps us strategically extend our reach to connect with the farthest customer

## Corporate Profile (contd.)

# Core values

Nurturing talent, knowledge, team spirit, a stimulating environment and a culture of meritocracy, along with a passionate drive towards customer-centricity and high ethical standards in corporate governance represent our core foundational values.



People first



Customer-centric



Ethical standards

# Product portfolio



## Housing loans

Loans to individuals for purchase of homes and residential plots, as well as construction, repair, improvements and extension of homes and loans to real estate developers for residential construction



## Non-housing loans

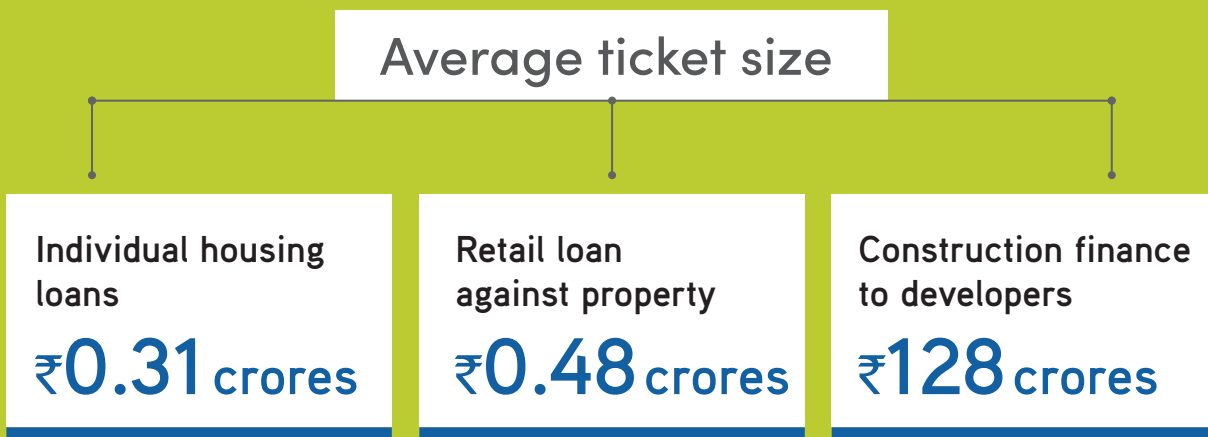
Loans availed against property, loans for non-residential premises, lease rental discounting and corporate term loans



## Fixed deposits

Safe investment options with attractive interest rates and rated AAA by credit rating agencies

# Key loan profile

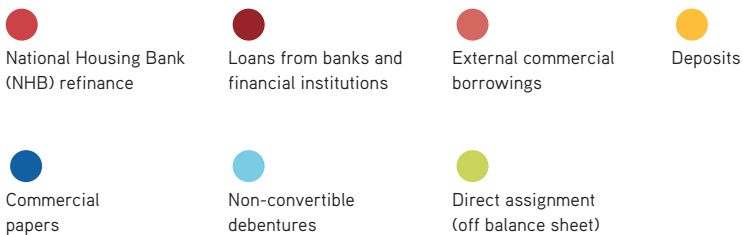
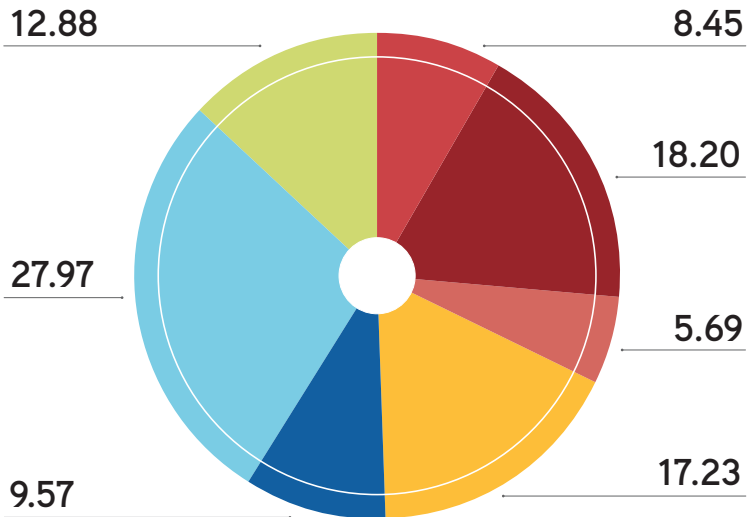




# Resource profile

## Access to diverse funding base

(%)



## Credit rating

### Fixed deposits

- CARE – AAA
- CRISIL – FAAA with stable outlook

### Bonds/non-convertible debentures

- CARE – AAA
- India Ratings (Fitch Group) – IND AA+ with stable outlook
- CRISIL – AA+ with stable outlook
- ICRA – AA+

### Bank term loans

- CARE – AAA
- CRISIL – AA+ with stable outlook

### Commercial paper

- CARE – A1+
- CRISIL – A1+

## Relationships with multiple lending partners

**33**  
Banks

**32**  
Pension funds

**572**  
Provident funds

**2**  
Multilateral agencies

**36**  
Insurance companies

**1,50,000+**  
Deposit accounts

**23**  
Mutual funds

**7**  
Foreign portfolio investors

Corporate Profile (contd.)

## AWARDS AND ACCOLADES

PNB Housing garnered the following awards during the year.



---

Mr. Sanjaya Gupta,  
Managing Director, PNB  
Housing recognised  
as one of the **Most  
Promising Business  
Leaders of Asia 2019**  
at the Economic Times'  
Asian Business Leaders  
Conclave in Hong Kong

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**Gold in the 'Home  
Loan Provider of the  
Year 2018'** category  
at the 17<sup>th</sup> Edition of  
Outlook Money Awards

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**Best Brand of  
India 2019** by  
the Economic Times



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**Winner at The Economic Times Innovation Tribe Awards 2018** in the Banking, Financial Services and Insurance (BFSI) category for the innovative digital solution iBox

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**Winner at Trescon BIG 50 BFSI Leaders Awards** for PNB Housing's transformation journey

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**Bronze at the SKOCH Awards 2018** for collaborative service platform Connect

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**Best Stand-out Investor Relations' award** in the 'Large Cap' category by the prestigious Investor Relations Society India in association with Bloomberg and BNY Mellon

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**Bronze at the 58<sup>th</sup> Annual Awards Nite**, organised by the ABCI for the Annual Report 2016-17

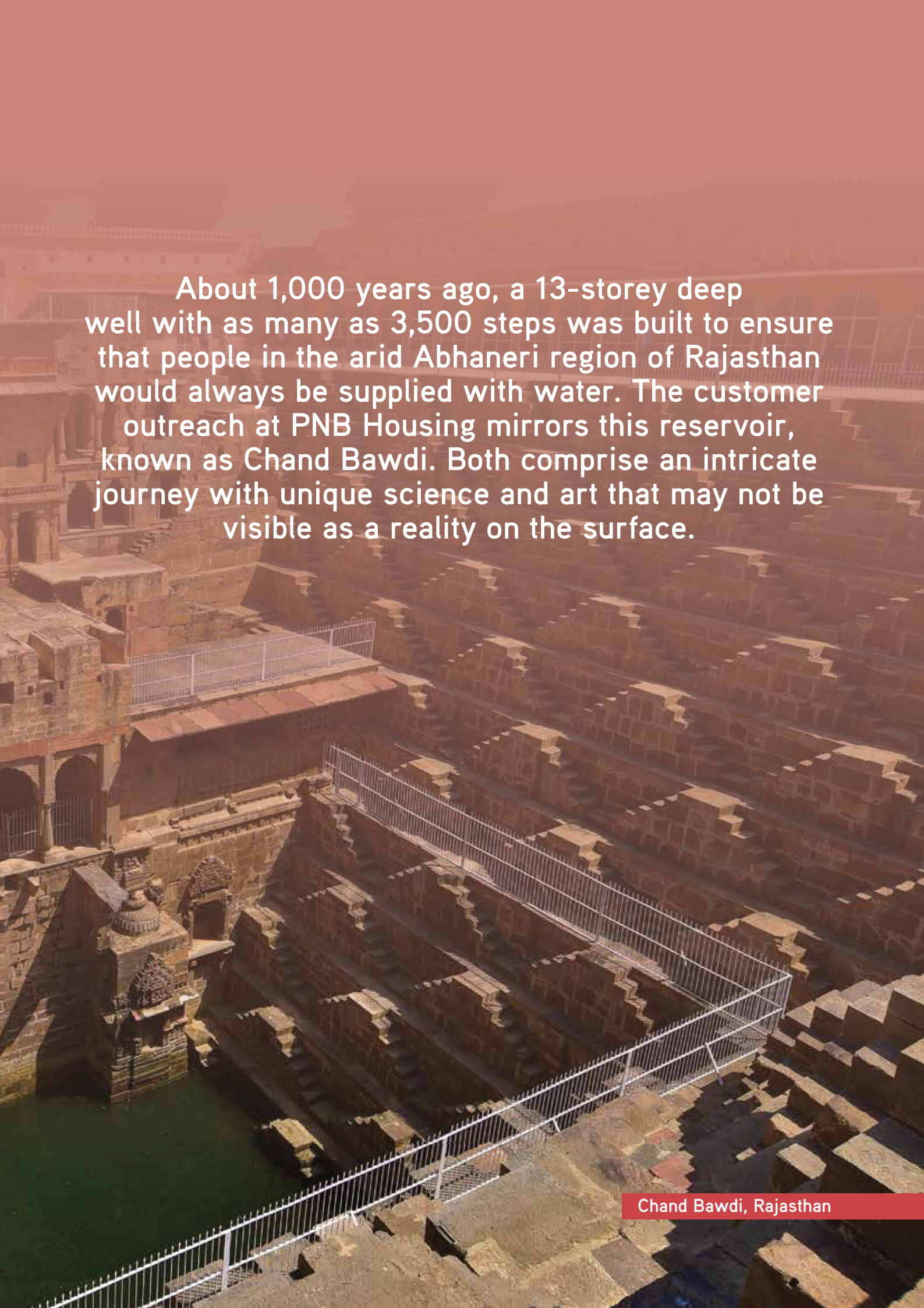
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**Silver at the 13<sup>th</sup> Global Communication Conclave 2019** for the Annual Report 2017-18

An aerial photograph of the Stepwell of Rani Chhanni in Jaipur, India. The image shows a complex of stone steps leading down to a water source, surrounded by traditional Rajasthani architecture. A large, stylized red graphic element, resembling a thick, curved line or a partial circle, is overlaid on the center of the image. The text "Depth Breadth" is written in a bold, white, sans-serif font across the middle of the red graphic.

# Depth Breadth



An aerial photograph of the Chand Bawdi, a massive stepped well in Rajasthan, India. The well is a complex of stone steps leading down to a central water reservoir. The architecture is highly detailed, with many small niches and carvings. A white metal railing runs along the edge of the steps. The overall color palette is a warm, reddish-brown, likely due to the stone and the lighting. The text is overlaid on the upper portion of the image.

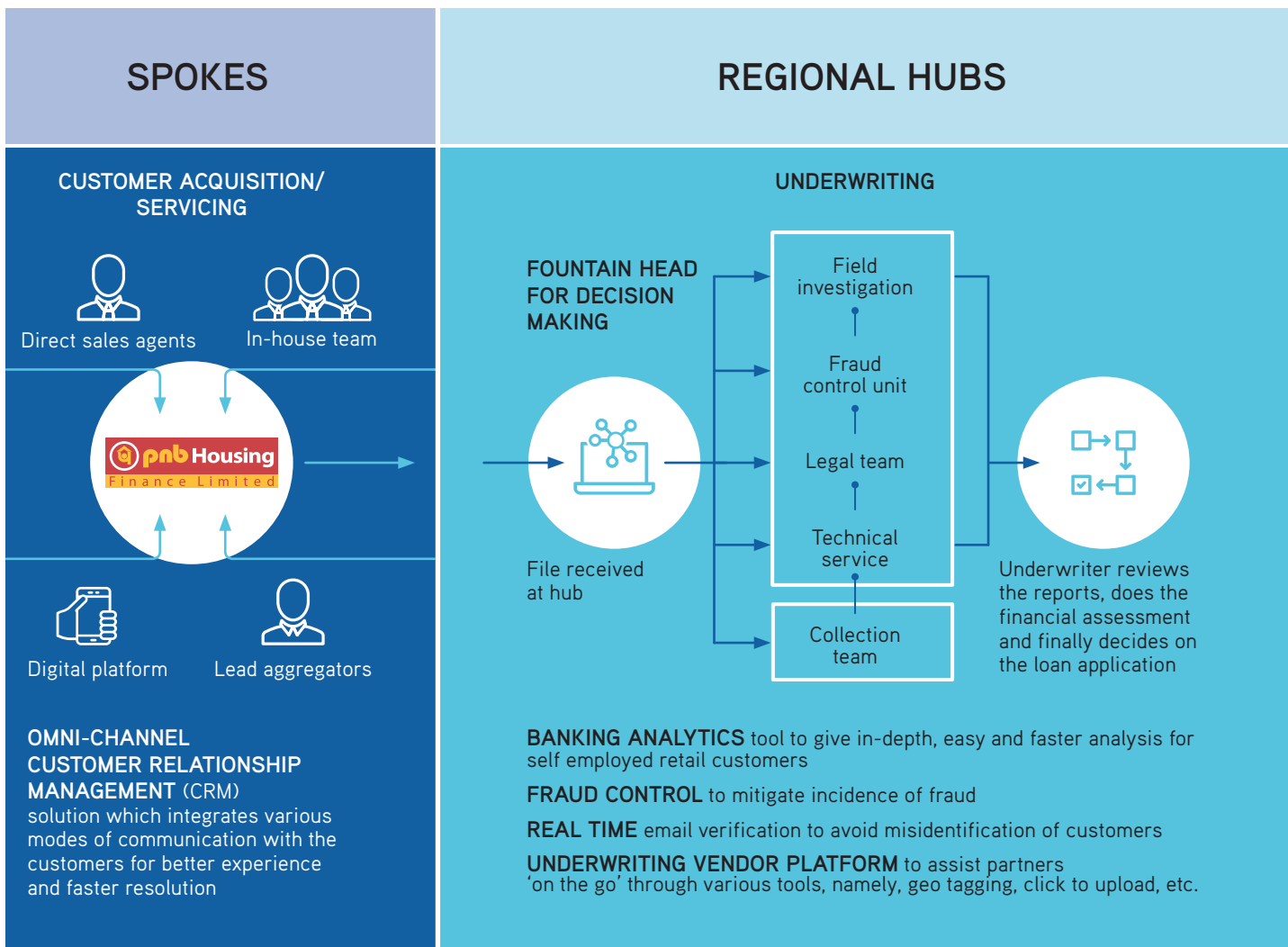
About 1,000 years ago, a 13-storey deep well with as many as 3,500 steps was built to ensure that people in the arid Abhaneri region of Rajasthan would always be supplied with water. The customer outreach at PNB Housing mirrors this reservoir, known as Chand Bawdi. Both comprise an intricate journey with unique science and art that may not be visible as a reality on the surface.

# Distribution Footprint

## WE ARE NEAR YOU

A simple and efficient hub-and-spoke model enables us to reach existing and prospective customers with speed and efficiency. Branches serve as point of sale and service. Processing hubs are the nodal decision-making centres and zonal hubs guide and supervise each hub. Distribution strength is combined with operational clarity to maximise value from every geography.

### Scalable hub-and-spoke model





Our in-house team along with external third-party channel partners are expanding reach, enhancing brand salience. The model is scalable, with centralised processing, effective risk management through delegation of responsibilities, and an integrated IT platform.

## Closer customer relations

### Domestic customer

customercare@pnbhousing.com

### NRI customers

nricare@pnbhousing.com

### Toll-free phone number

1800 120 8800

### Self-care web login



## CENTRAL OPERATIONS

POST DISBURSEMENT OPERATIONS

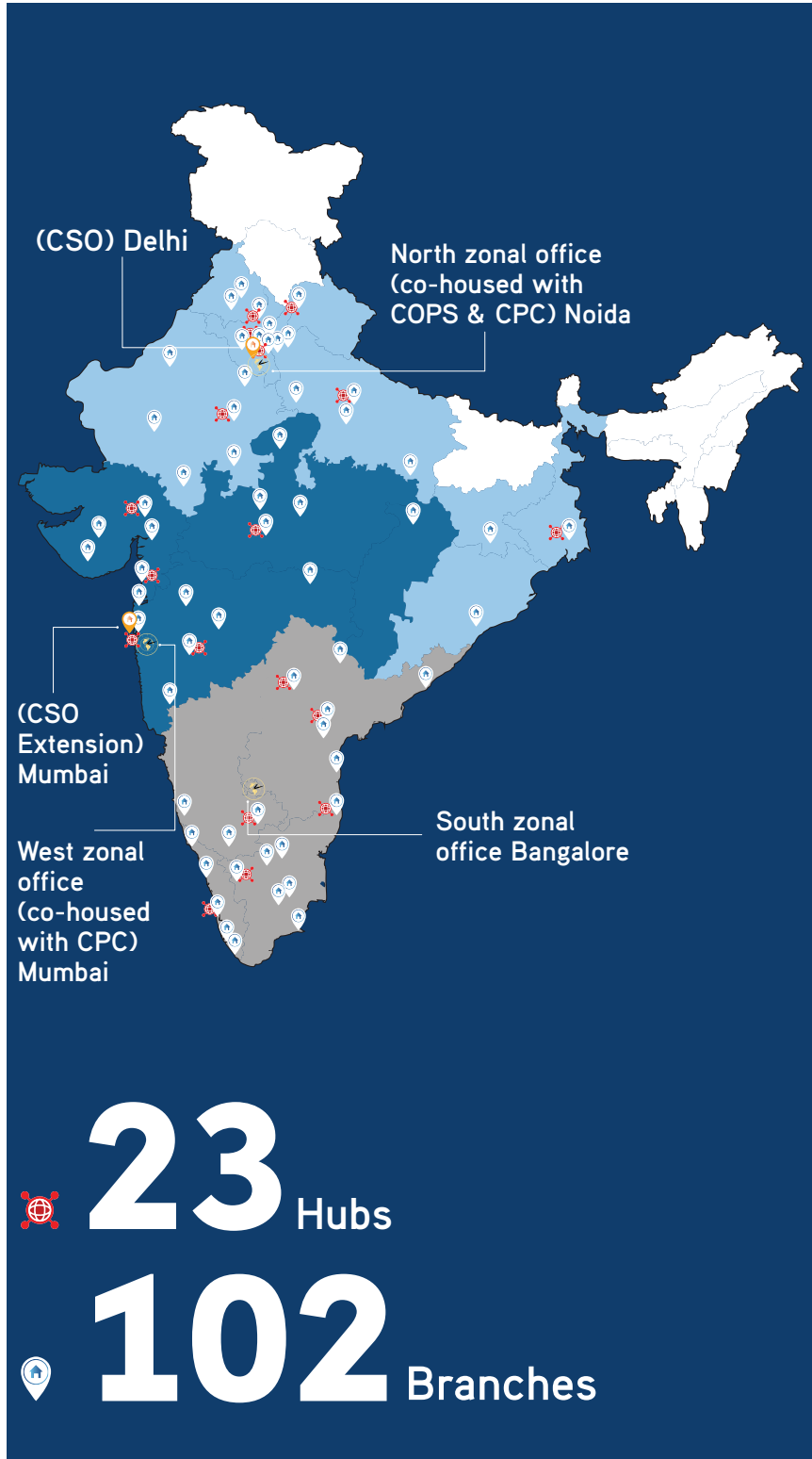
CENTRAL PROCESSING CENTRE (CPC)



CENTRALISED OPERATIONS (COPS)

**DIGITISATION**, amalgamation of people, process and technology for customer convenience and elimination of transit risk and robotic intelligent mailing solution to ensure standard, confidential and accurate communication

## Pan-India presence



# History

## DECADES OF RESILIENT GROWTH

**1988**

- Obtained the National Housing Bank (NHB) license for loans and deposits
- Commenced operations

**2006**

- Crossed ₹1,000 crores in AUM

**2009**

- Destimoney Enterprises Limited (DEL) acquired 26% stake in the Company

**1994**

- Crossed ₹100 crores in AUM

**2003**

- Notified under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act

**2010**

- Launched Business Process Re-engineering project, 'Kshitij'



## 2012

- DEL raised stake from 26% to 49% through conversion of compulsory convertible debentures (CCD)

## 2011

- New brand positioning with completely refurbished, elegant, convenient and secured offices
- Robust and scalable target operating model (TOM) implementation commenced

## 2019

- Expanded to over 100 branches
- PAT crossed ₹1,100 crores

## 2014

- PAT crossed ₹100 crores
- AUM crossed ₹10,000 crores

## 2015

- Implemented end-to-end Enterprise System Solution
- DEL acquired by Quality Investment Holdings (QIH), of the Carlyle Group

## 2018

- Included in the MSCI Global Small Cap Index
- Certified 'Great Place to Work' second year in a row
- Recognised as 'Best BFSI Brand' by Economic Times

## 2017

- Crossed ₹50,000 crores in AUM
- Crossed ₹10,000 crores in deposits
- Certified as a 'Great Place to Work' by building a 'High Trust, High Performance Culture'
- Incorporated a wholly owned subsidiary PHFL Home Loans and Services Limited (PHFL)

## 2016

- Listed on Indian stock exchanges through IPO, raised ₹3,000 crores
- AUM crossed ₹25,000 crores
- Target operating model (TOM) fully implemented

The background of the image is a photograph of an offshore wind farm. Several wind turbines are visible, extending from the foreground into the distance over a body of water. The sky is a deep, overcast blue. A large, semi-transparent blue ampersand graphic is centered in the background, behind the text.

# **Dynamism Progress**



The Government of India is focusing on harnessing the nation's offshore wind power potential for a green and sustainable future. At PNB Housing, we are channelising our energies towards enabling countrymen realise their dreams of owning a home and when dreams are fulfilled, it reflects in our performance.



Off-shore wind turbines

## Performance Highlights

# ENCOURAGING BENCHMARKS

### Disbursement growth

Disbursements expanded at 9%, from ₹33,195 crores in FY 2017-18 to ₹36,079 crores in FY 2018-19

### AUM growth

Housing credit industry during this period grew at an annualised ~14-16% [Source: ICRA]. AUM (including securitised book) stood at ₹84,721.9 crores in FY 2018-19, growing 36% over FY 2017-18 annually

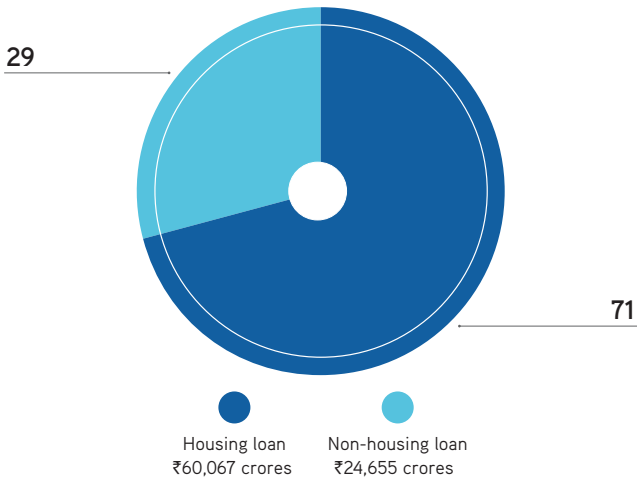
### Product mix (portfolio on books)

A well-rounded product mix was maintained with 71% attributed to housing loans and 29% to non-housing loans

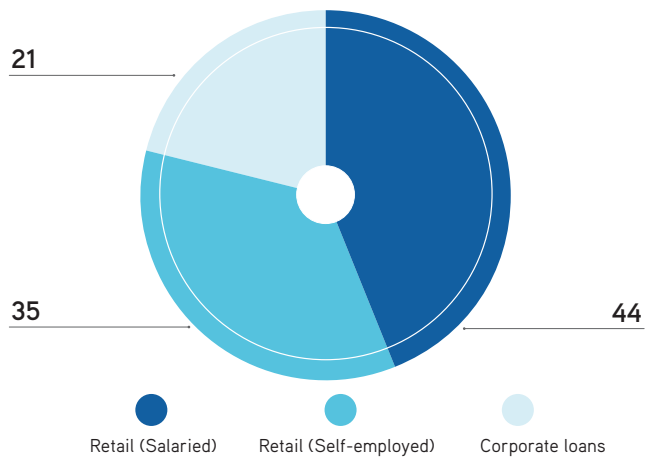
### PAT growth

PAT increased from ₹841.2 crores in FY 2017-18 to ₹1,191.5 crores in FY 2018-19, representing a growth of 42%

**Product mix<sup>1^</sup>** (%)

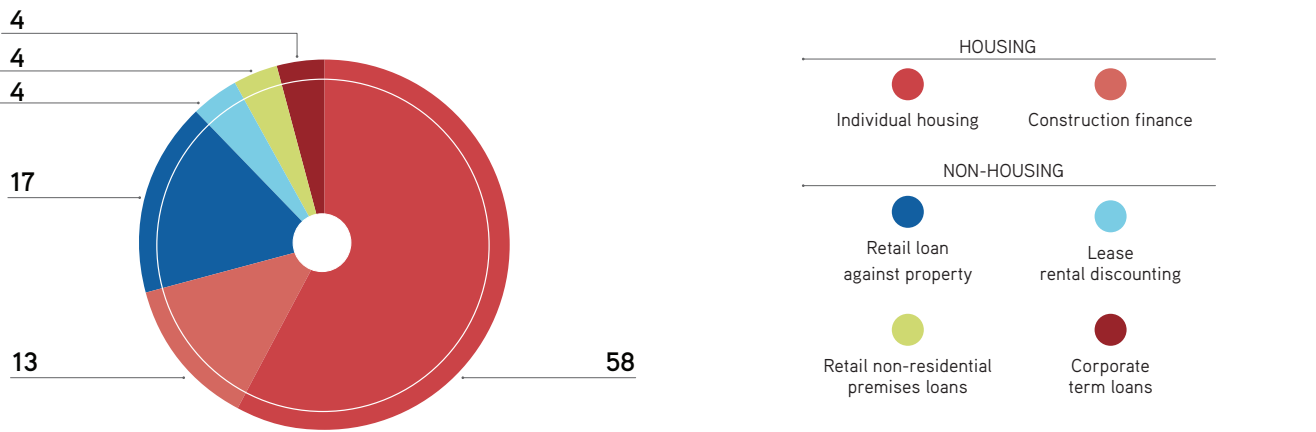


**AUM: Segment-wise share<sup>^</sup>** (%)



<sup>1</sup>including securitised book

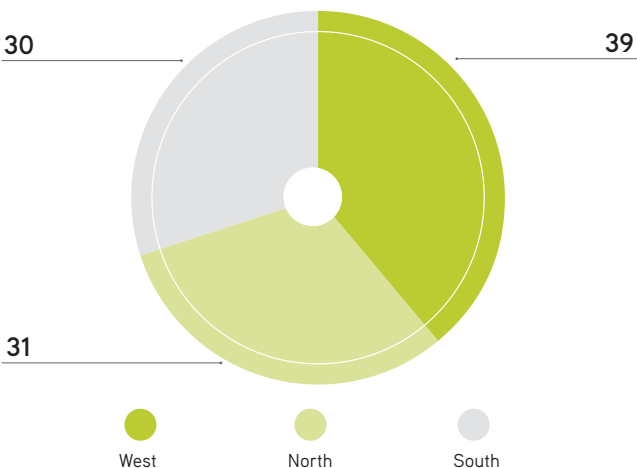
**AUM: Product-wise share<sup>^</sup>** (%)



**GEOGRAPHIC DISTRIBUTION**

Our portfolio is balanced across western, northern and southern regions.

**AUM: Region-wise share<sup>^</sup>** (%)



**Disbursement origination<sup>\*</sup>** (%)



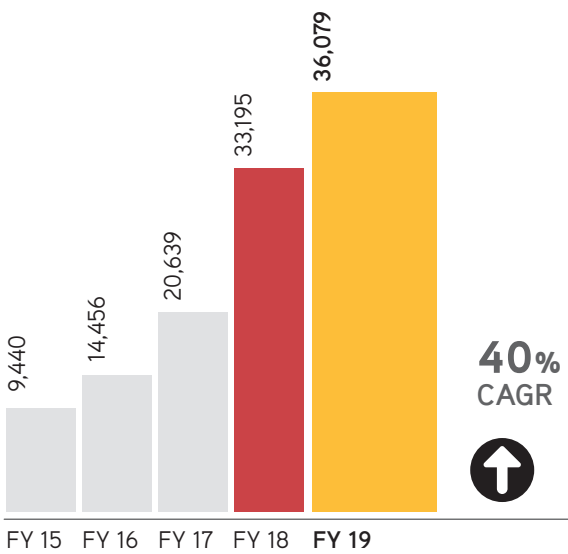
<sup>^</sup>Figures are as on March 31, 2019

<sup>\*</sup>Figures are for FY 2018-19

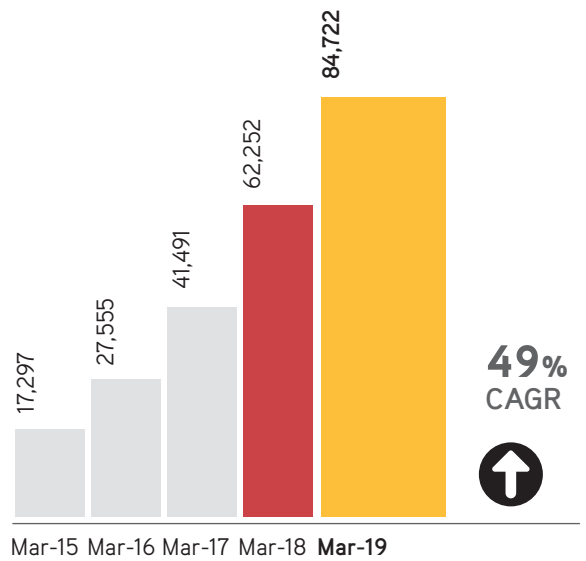
# Financial Highlights

## MEASURING CONSISTENT PROGRESS

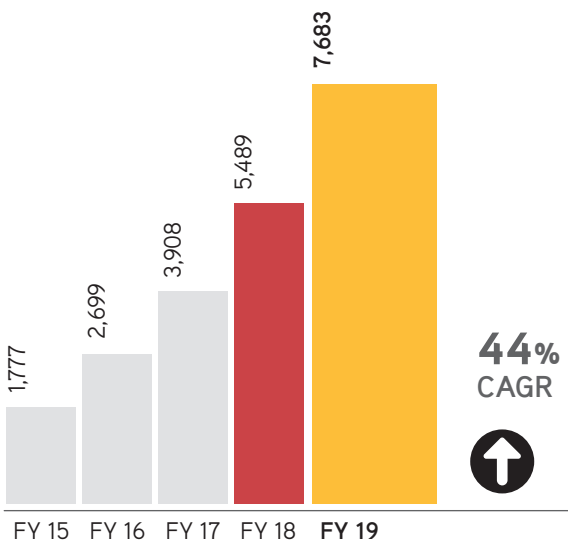
Loan disbursement (₹ in crores)



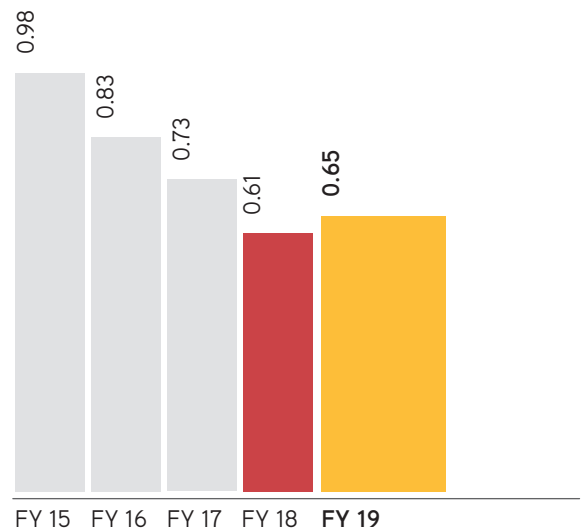
Asset under management^ (₹ in crores)



Total revenue\* (₹ in crores)



Opex to ATA\* (%)



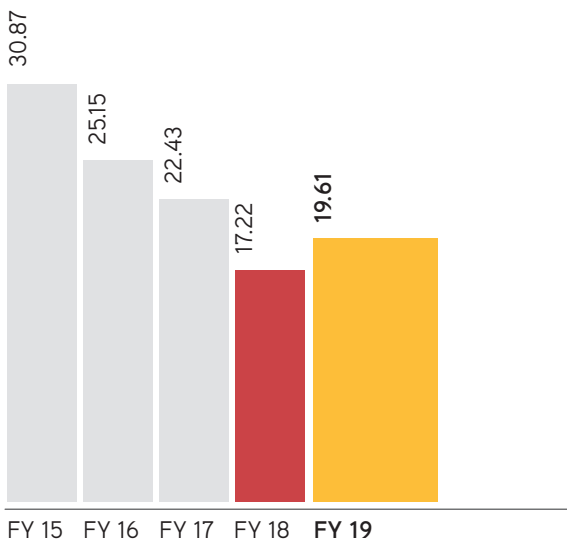
\*FY 18 and FY 19 financial numbers are on Ind AS basis whereas prior numbers are based on IGAAP.

^ indicates dates as on March 31



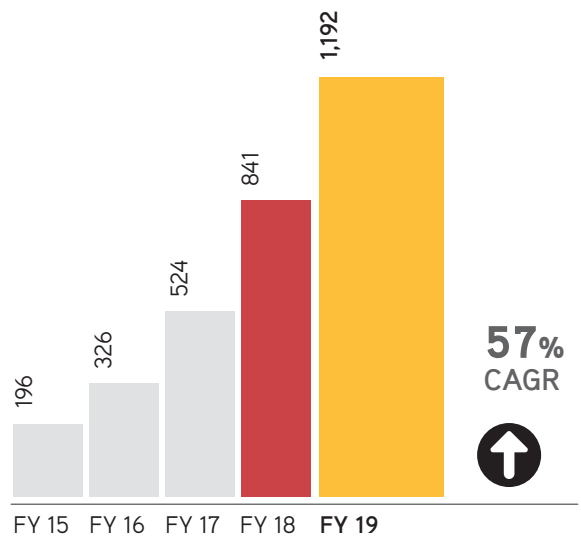
## Cost to income ratio\*

(% )



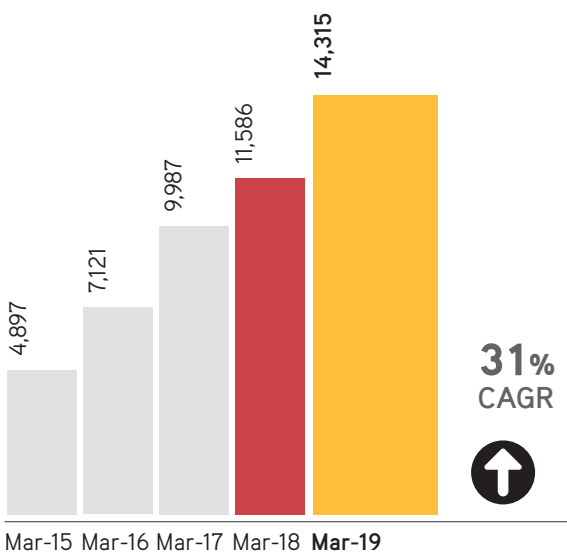
## Profit after tax\*

(₹ in crores)



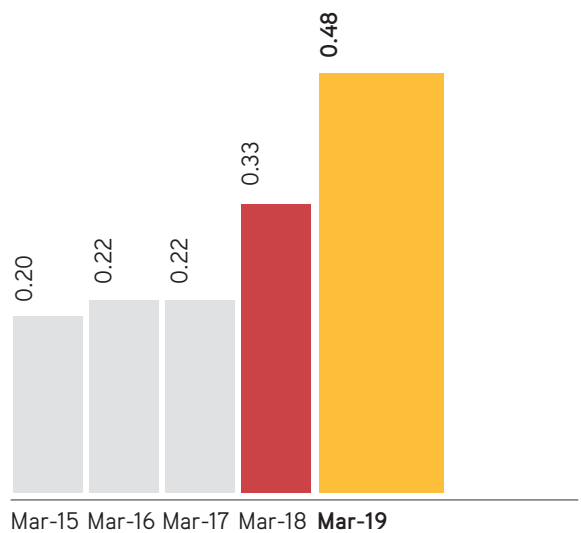
## Deposit outstanding^

(₹ in crores)



## Gross non-performing assets\*^

(% )

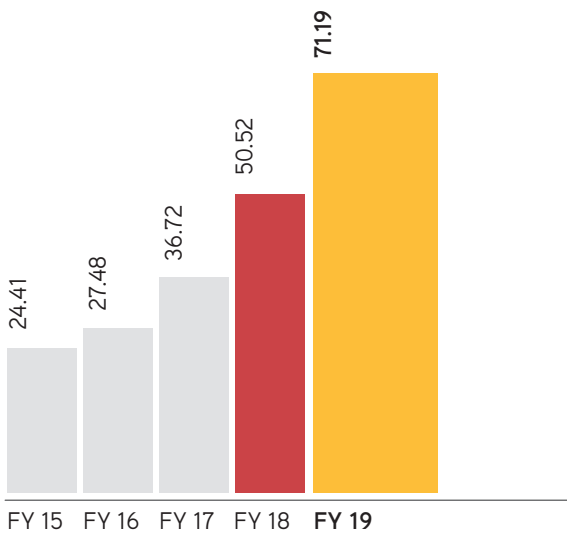


\*FY 18 and FY 19 financial numbers are on Ind AS basis whereas prior numbers are based on IGAAP.

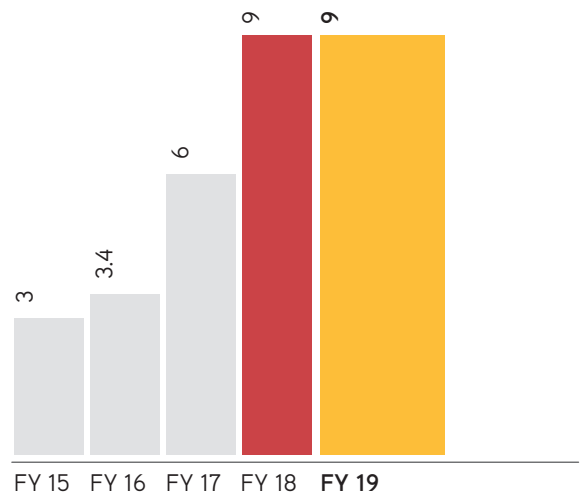
^ indicates dates as on March 31

## Financial Highlights (contd.)

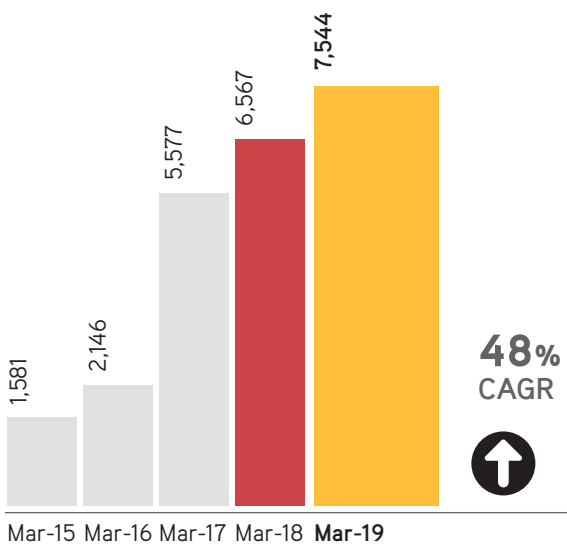
**Earnings per share\*** (₹)



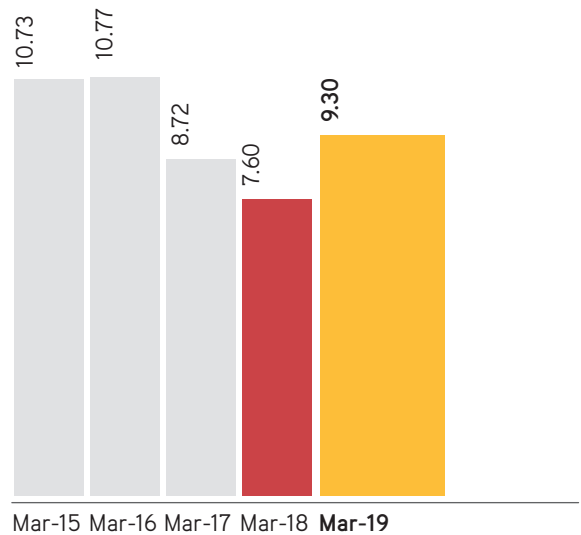
**Dividend per share** (₹)



**Net worth\*^** (₹ in crores)

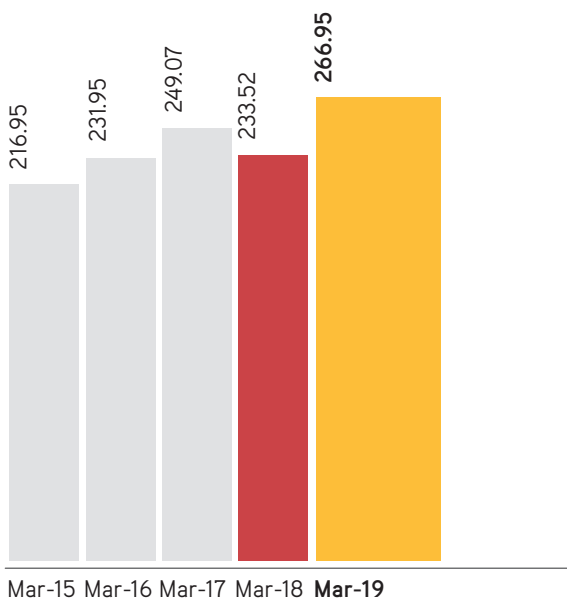


**Average gearing\*^** (times)



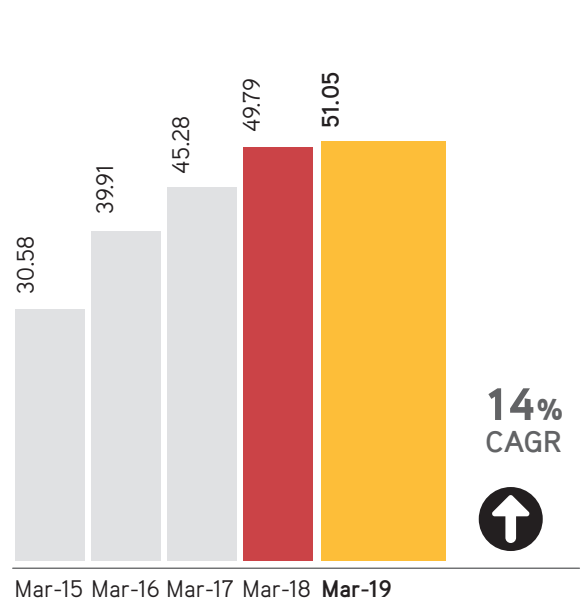
\*FY 18 and FY 19 financial numbers are on Ind AS basis whereas prior numbers are based on IGAAP.  
^ indicates dates as on March 31

### Number of loan and deposit accounts per employee<sup>^</sup> (average)



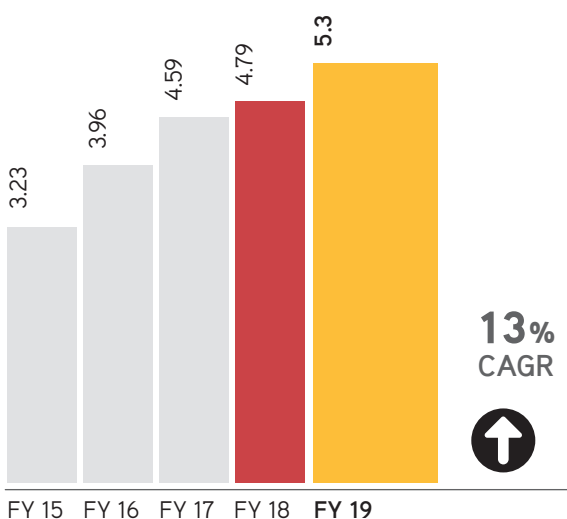
### Loan outstanding per employee<sup>^</sup> (average)

(₹ in crores)



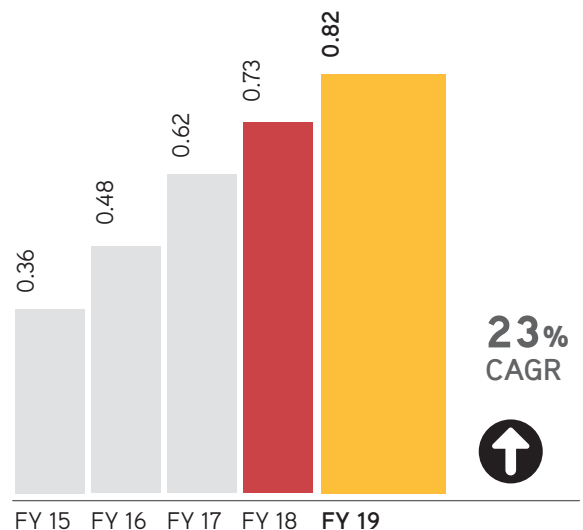
### Total revenue per employee\* (average)

(₹ in crores)



### Profitability per employee\* (average)

(₹ in crores)




\*FY 18 and FY 19 financial numbers are on Ind AS basis whereas prior numbers are based on IGAAP.

<sup>^</sup> indicates dates as on March 31

An aerial photograph of a large, rusted metal structure, possibly a bridge or industrial platform, partially submerged in the ocean. The water is a vibrant turquoise color. A small boat is visible in the lower right corner, moving across the water. The sky is a clear, deep blue. A large, semi-transparent blue graphic element, resembling a stylized letter 'Q' or a similar shape, is overlaid on the center of the image.

# Strategy Optimism



An aerial photograph of the Pamban (Rameswaram) bridge, a long cantilever bridge spanning the Indian Ocean. The bridge's complex steel truss structure is visible, supported by several large piers. The water is a deep blue-green, and a small boat is seen in the lower-left corner. The text is overlaid on the upper portion of the image.

Literally rising above the waters of the Indian Ocean, this 100-year-old rail and road bridge connects a two-kilometre-long stretch between the Pamban island and the Indian mainland. It not only offers spectacular views of the seascape, but also strategically gives way to waterborne vessels. Our innovation engine echoes this modern engineering wonder, enabling us to stay firmly on track and open doors towards the next milestone.

## Chairman's Statement

# IN STEP WITH THE CHANGING TIMES

I am happy to share that PNB Housing delivered encouraging results in a rather challenging operating scenario. This is the result of a durable value system, future-focused strategies and a proactive team of go-getters, inspired by an overarching purpose to serve millions of home aspirants across the country.

### Dear Stakeholders

I am delighted to present to you the 31<sup>st</sup> Annual Report and the consolidated financial statements of PNB Housing Finance Limited for the year ended March 31, 2019. The fiscal 2018-19 was another eventful year for your Company. During the period, it pursued various growth opportunities, despite a challenging operational landscape.

The global economic indicators remained largely volatile during the fiscal owing to a variety of factors. These factors were US-China trade tensions, uncertainty over the UK's exit from the EU, macroeconomic stress



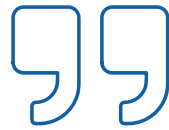
**Mr. Sunil Mehta**  
Chairman

in Argentina and Turkey, disruptions in the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalisation of monetary policy in the larger advanced economies. These factors, according to the International Monetary Fund, have contributed to significantly weakened global expansion, especially in the second half of 2018.

Closer home, India's growth rate continues to be fast paced among the world's major economies, as the country pursues broad-based, inclusive growth. The economic growth rate decelerated marginally in FY 2018-19, owing to a slowdown in private consumption, tepid increase in fixed investments, muted exports and slowdown in agriculture and automotive sectors. Headline inflation, a credible indicator of consumer and wholesale prices, declined throughout FY 2018-19, before firming up in recent months. The Reserve Bank of India (RBI) responded to the scenario by reducing key lending rates by 25 basis points twice in 2019.

To better regulate the non-banking financial company (NBFC) sector, the RBI has already issued draft guidelines requiring most NBFCs to set aside a liquidity buffer by investing in high-quality liquid assets, primarily sovereign bonds. The larger objective is to ensure that sector players are better governed and stronger; and are geared to pursue risk-adjusted long-term growth.

If we observe the country's real estate space, we will find that it is undergoing significant transformation with the introduction of Real Estate (Regulation and Development) Act (RERA) and Goods and Service Tax (GST). The 2018 liquidity crisis among NBFCs – a leading source of funding for developers – resulted in the shortage of funds. Prompt regulatory oversight has helped contain the crisis and at the same time, the GST Council has slashed GST rates on housing units to induce demand. With RERA, a conducive environment for the return of equity participation has been created. Besides, Real Estate Investment Trusts (REITs) are expected



**Your Company is concurrently driving multiple strategies: judiciously managing liquidity, leveraging a rich resource profile and maintaining a highly robust portfolio of assets and a balanced growth.**

to unveil more fund-raising avenues for cash-strapped developers.

Moreover, housing prices have stabilised across cities in recent years. This, in conjunction with prevailing policy reforms, presents a clear case of recovery in the coming years. The Government's thrust towards affordable housing, coupled with increasing demand is likely to widen the opportunity landscape for housing finance companies, going forward. On the supply side, developers are likely to concentrate more on the mid and affordable segments, while unsold inventory levels are expected to decline further. Overall, growing population, urbanisation, rise of nuclear families and increasing disposable incomes are catalysing the residential housing sector.

Opportunities in the housing segment are as vast as they are promising, and PNB Housing is committed to make the most of the same. Your Company is concurrently driving multiple strategies: judiciously managing liquidity, leveraging a rich resource profile and maintaining a highly robust portfolio of assets and a balanced growth. Powered by strong systems and processes, a differentiated portfolio and focused business strategy, your Company is progressing with agile steps.

I am happy to share that PNB Housing delivered encouraging results in a rather challenging operating scenario.

This is the result of a durable value system, future-focused strategies and a proactive team of go-getters, inspired by an overarching purpose to serve millions of home aspirants across the country. Your Managing Director, Mr. Sanjaya Gupta will take you through the highlights of the year in greater detail.

Your Company will continue to grow in step with the sweeping socio-economic transformation in the country and enrich its solutions spectrum to meet the changing requirements of customers. Before I conclude, I thank all members of the Board and the leadership team steered by Mr. Gupta, for their vision, tenacity and high-quality execution. I must also mention here that your Company's unwavering focus on ethics and good governance has helped it navigate the challenges and sail towards new harbours of growth and opportunity.

I am grateful to all members of the PNB Housing family for their team spirit and to all stakeholders for their trust, integrity and accountability. I also wish to thank the regulator, the National Housing Bank for guidance and support; and I am happy to share that your Company continues to be in absolute compliance with the guidelines issued by them.

I am confident that this great enterprise of innovation, perseverance and resilience will continue to create value for all stakeholders; and I look forward to the new year with renewed confidence and optimism.

Yours sincerely,

**Sunil Mehta**  
Chairman



## Managing Director's Message

# 'TOUGH TIMES NEVER LAST, TOUGH PEOPLE DO.'



According to Government estimates, the country is poised to become a US\$ 5 trillion economy in the next five years and aspires to become a US\$ 10 trillion economy in the next eight years thereafter.

### Dear Stakeholders

Building an enduring institution is more than just strategy and vision. It is also about resilience and courage to face adversity, the ability to stay afloat in periods of challenges with positive thinking and opportunity mapping. Sometimes when the going gets tough, one may be weak enough to abandon values and high standards of performance but that is not true at PNB Housing. In this context, I am reminded of Dr. Robert H. Schuller's famous saying, "tough times never last, tough people do." At PNB Housing, we are inspired by the philosophy of toughness and teamwork

**Mr. Sanjaya Gupta**  
Managing Director

to build a robust institution of value for the nation.

On this note, I wish to congratulate every member of our growing stakeholder fraternity for helping us accomplish predictable performance in a rather uncertain operating environment. This is the result of our grit and determination to continue the journey and strengthen an institution, which can deliver lasting value.

### MACRO ENVIRONMENT

The upswing in global economic activity persisted until the middle of 2018. However, the momentum petered out subsequently, amid broad-based moderation in activity across developed and emerging economies. Despite global headwinds, the Indian economy during the year continued to grow at close to 6.8% following wide-ranging reforms undertaken by the Government of India and states in the recent years.

According to Government estimates, the country is poised to become a US\$ 5 trillion economy in the next five years and aspires to become a US\$ 10 trillion economy in the next eight years thereafter. Moderate inflation, controlled fiscal deficit, encouraging growth in gross capital formation and ease of doing business continue to be critical growth catalysts of our economy. It is relevant to mention here that encouraging improvement in the ease of doing business (India's rank in the World Bank's Ease of Doing Business Report has gone up from 142 in 2014 to 77 in 2018) has helped turn around investment sentiment in the country.

The implementation of structural reforms such as the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) framework have been of critical significance in India's journey towards having a more formalised and transparent economy. The Government's thrust towards digital connectivity, financial inclusion, faster urbanisation, affordable housing and gradual revival of the semi-urban and rural economy will further bolster economic growth in the coming years. The accommodative monetary policy of the Reserve Bank of India will also help spur growth in the economy.

Shifting the focus to overall financial services sector, FY 2018-19 came with a mixed baggage. There were liquidity challenges and the sector had to grapple with a larger issue of trust deficit. In fact, the challenges had an adverse impact on the economy as a whole, as liquidity stress affected consumption finance.

India's economy saw a sharp downward trend in liquidity, both in wholesale corporate bond market (where it was more pronounced) and the banking sector. The fear of credit default, which got accentuated by events at few corporate houses held back the lenders from financial institutions, especially NBFCs and HFCs.

### RESILIENT PERFORMANCE

Notwithstanding challenges in the operating scenario, we registered healthy double-digit growth during FY 2018-19 vis-à-vis FY 2017-18. The net interest income grew by 24% to reach ₹2,064 crores and profit after tax expanded by 42% and was at ₹1,191.5 crores. The spread on loans for FY 2018-19 is 235 basis points. Excluding the direct assignment income (that is as per IGAAP), the spread on loans for FY 2018-19 is 198 basis points. Net interest margin is 293 basis points for the same period. The gross margin, net of acquisition cost, including fee income for fiscal 2018-19 stood at 334 basis points against 350 basis points during FY 2017-18.

We continue to be the fifth largest in the domestic HFC segment in terms of our assets size, second largest in deposits, and third largest if one considers incremental disbursements. Our growth has been one of the fastest in the sector during the last few years. For the period we disbursed loans worth ₹36,079 crores at a growth rate of 9% over the previous year.

One should be cognisant of the fact that PNB Housing is a unique national asset, built meticulously with diligence and foresight. The process of building required extraordinary vision, design, execution prowess, personality, culture-building and beyond the call of duty efforts; today that labour of love and dedication is in public domain.



**We registered healthy double-digit growth during FY 2018-19 vis-à-vis FY 2017-18. The net interest income grew by 24% to reach ₹2,064 crores and profit after tax expanded by 42% and was at ₹1,191.5 crores.**

Maintaining laser sharp focus on portfolio quality, granularity and product mix are foremost in our list of priorities. Aggressive pursuit of the aspiring self-employed customer segment has been undertaken. The aim is to fulfil their home ownership aspirations and cater to their financial requirements. Over 80% of our portfolio addresses the retail segment and we are clear about our priorities to grow our footprint as a retail lending institution.

PNB Housing is aggressively strengthening its footprint to reach out to more customers; 18 branches were made operational during the year, totalling 102 branches across 62 cities. Our customers are also serviced through 29 outreach locations. The hub-and-spoke operating model is the backbone of operations and we are strengthening it through continuous investments in analytics, technology enhancements and digitalisation. The branches and outreach locations are points of sale and service as well as centres of lead generation, while 23 advanced hubs are responsible for prompt processing, quicker turnarounds and optimising productivity.

Each hub is equipped with strong underwriting talent, managing all business activities as usual and adhering to the given timelines with stringent

## Managing Director's Message (contd.)



As on March 31, 2019, we have established relationships with 169 real estate developers; over 85% of our corporate book is from top seven cities, which are Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Bengaluru, Chennai, Pune, Hyderabad and Ahmedabad.

accuracy. We want to go deeper into every geography that PNB Housing is present in and make the best use of all opportunities, rather than spreading thin.

In the corporate loan space, we primarily lend to distinguished real-estate developers and repeat customers. Around 70% disbursements, during the year, were made to repeat customers, who have a proven track record. As on March 31, 2019, we have established relationships with 169 real estate developers, over 85% of our corporate book is from top seven cities, which are Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Bengaluru, Chennai, Pune, Hyderabad and Ahmedabad.

As a pureplay HFC and as a relevant service provider, we are dedicated to enriching the customer experience at every touchpoint. We empathise with our customers and want to make their journey of owning a home as seamless as possible. Our policies are fair and transparent at every step for the customers. What distinguishes PNB Housing in a

crowded marketplace is the quality of services, from onboarding a customer to post-disbursement interactions.

During the year under review, greater depth, rigour and higher degree of monitoring the risk management framework have been introduced. This strategy helped us further minimise liquidity risk, sustain the retail disbursements and see good growth in asset volumes. With regard to the corporate loan book, accounts were monitored on multiple vectors, aside from delinquency, such as utilisation, stage of construction, sales velocity, demand, collection efficiencies and escrow discipline. This is carried out with different weightages at different project lifecycle stages and with specific resolution norms in place.

The efficiency to underwrite all segments with prudence has helped in containing non-performing assets (NPA) to the industry's lowest levels even in the most testing times.

PNB Housing has a very strong and robust retail deposit arm with over 1,50,000 deposit accounts. Progressively, the deposit mobilisation during FY 2018-19 grew over 4.5 times from ₹212 crores per month in April 2018 to ₹1,032 crores in March 2019. Similarly, deposit volumes increased more than three times, from 3,500 applications in April 2018 to over 11,400 applications in March 2019. Deposits outstanding as on March 31, 2019 are ₹14,315 crores, reflecting a growth of 23.5% over ₹11,586 crores as on March 31, 2018.

Amid the high volatility in the debt market and scarcity of funds, long term funds at competitive rates have been mobilised. We leveraged multiple lending partners to manage liquidity and judiciously allocated capital across operations. During the financial year, ₹30,858 crores was borrowed through bank term loans, National Housing Bank refinance, external commercial borrowings and public deposits. The National Housing Bank sanctioned ₹3,500 crores in the third quarter of fiscal 2018-19, which was fully drawn down during the fourth quarter.

With the increased share of long-term borrowings during the year, the asset and liability management (ALM) gaps across buckets have also improved. As on March 31, 2019, we prudently maintained over ₹7,000 crores, as cash and liquid investments on the balance sheet. The liquidity buffer helped in strengthening resilience while being nimble-footed and stable.

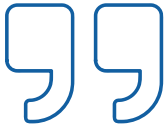
Considering the macro-economic environment, continuous growth and sustained profitability has kept the investors' faith strong in the management team. Robust communication channels has helped us maintain continuous dialogue with all stakeholders, so that there is no speculation about our strategic priorities and outlook. A strong and effective 1,609 member team, PNB Housing enhanced efficiency across all employee performance metrics, during the year under review.

On the people front, the Company is relentlessly building competencies to provide a rewarding career to its colleagues. We endeavour to provide relevant skill development opportunities to our talent pool and have made continuous efforts to build an inclusive culture. In the Corporate Finance domain, we have ushered in the concept of strategic business unit (SBU), which is in harmony with the three retail zones. The Company will stay committed towards its ethos of promoting internal talent.

Compliance continues to be a non-negotiable priority for us; and all state-of-the-art operating procedures, systems and processes are designed keeping in mind the interests of stakeholders. Our stringent governance framework was crucial in helping us tide over volatile sector conditions and motivating the teams. Proactive measures were taken to inculcate core values across tiers, instilling values of trust, hard work and commitment.

In line with our philosophy to enable the not-so-fortunate community in becoming capable and self-reliant, we work in the area of skill enhancement training, day care centres, education





**We have a very strong and robust retail deposit franchise with over 1,50,000 deposit accounts. Progressively, our deposit mobilisation during FY 2018-19 grew over 4.5 times from ₹212 crores per month in April 2018 to ₹1,032 crores in March 2019.**

and health care under our corporate social responsibility (CSR) programme. Through the institutionalised intervention programme 'Saksham', we engage with multiple agencies, public and private, to uplift the lives of construction workers and empower them by implementing feasible solutions.

#### WAY FORWARD

The Company's objective is to continue to build upon overall efficiencies, leverage technological interventions and deliver on the expectations of stakeholders. To accomplish our future goals, we will need to commit and align with the organisation's strategy of optimising existing resources, for achieving industry-leading performance levels. It is time to revisit our arsenal, leverage our capabilities, identify areas of improvement, focus on improving efficiencies and reducing wastages.

Over 50% of PNB Housing branches were operationalised during the preceding three years and our goal is to enable these branches to contribute to the growth of the organisation. I strongly believe, the opportunity landscape in housing finance sector is gradually widening as mass housing offers a plethora of prospects, well cushioned by incentives and tax breaks. We have ensured that the Company's presence

within the target group is gradually penetrating emerging cities, where there are encouraging opportunities. There will also be a special focus on establishing and expanding the property services group (PSG) and loan syndication business.

The use of technology in line with the business ideology will be a key differentiating factor for the holistic growth of the organisation. The intelligent and intuitive use of data and technology will help in making the business more future-ready and sustainable. It is now time to make the optimum use of digital resources with a focused approach to enhance efficiencies and reduce cost.

In this context, one must also mention that the Company has adopted total quality management (TQM) framework to help improve productivity and bring efficiency in the existing retail processes. After attaining success in the pilot project at two hubs of North zone, that is, Noida and Green Park, it has been extended to two hubs in MMR and three hubs in Bangalore in a phased manner.

The strategies are well in place to take the organisation to the next level of value creation. Before I conclude, let me reiterate that sustainable value creators are those businesses which have a strong set of values and remarkable resilience to withstand headwinds and move on. We are building such a lasting value-creating business with a balanced approach to business growth, asset quality and profitability to serve all our customers and stakeholders and contribute to the nation-building.

Your continued encouragement and support will stand us in great stead in the journey together.

I thank our regulator, the National Housing Bank (NHB), our lenders, rating agencies and business partners whose continuous trust makes us who we are. I also wish to extend humble regards to the Reserve Bank of India (RBI), Stock Exchange Board of India (SEBI) and the stock exchanges for rendering their support.

The Board of Directors has continued its relentless guidance and support

to the development of the Company. The Independent Directors have played a pivotal role in bringing about high standards of corporate governance, especially with the enactment of the Companies Act of 2013. I sincerely thank them for their continuous direction.

I extend gratitude to the statutory and internal auditors who have kept a keen vigil on all aspects of our operations while maintaining a pragmatic view on business growth.

I would also wish to give a big applause to every member of PNB Housing and PHFL teams for their persistent determination and endurance to perform in such challenging environment. It is their relentless efforts that has delivered such a fine performance in the financial year 2018-19.

Warm regards,

**Sanjaya Gupta**  
Managing Director

## Value Proposition

# BUILDING SUSTAINABLE VALUE

The focus is on enduring value creation for all those who have a stake in the Company’s progress. PNB Housing is committed to building a scalable business, which is geared to participate in a thriving market and drive robust margins and free cash flow.

<b>WHAT SETS US APART</b>	<b>Significant market opportunity</b>	<b>Strong and scalable business model</b>
	<ul style="list-style-type: none"> <li>Sustained economic growth and urbanisation with a commensurate improvement in affordability and aspirations of citizens</li> <li>Housing shortage in urban areas estimated at 18.76 million dwelling units [Source: Ministry of Housing and Urban Affairs]</li> <li>India’s mortgage market is significantly underpenetrated, as compared to that of other large economies</li> </ul>	<ul style="list-style-type: none"> <li>Unique operating model that works through hubs and spokes to maximise efficiency in processes</li> <li>Strategic distribution network, offering a robust repertoire of products</li> </ul>
<b>KEY PERFORMANCE INDICATORS</b>	<ul style="list-style-type: none"> <li>One of the largest and fastest growing housing finance companies</li> <li>40% growth in disbursement in the last four years</li> <li>49% growth in AUM in the last four years</li> </ul>	<ul style="list-style-type: none"> <li>ISO-certified central operations</li> <li>Economies of scale, low incremental costs, faster decision making and operational synergies across the network</li> <li>Well-balanced growth across products</li> <li>Surplus liquidity of ₹5,000-7,000 crores, leveraging long term funds and securitisation, to overcome market concerns and correct ALM profile</li> </ul>

## WHAT SETS US APART

## Comprehensive credit underwriting

## SPECIALISATION

- Professionally qualified with vast mortgage experience
- Veteran cadre of hub heads and other senior personnel
- Distinguished roles with collective decision-making

## OTHER MITIGATING MEASURES

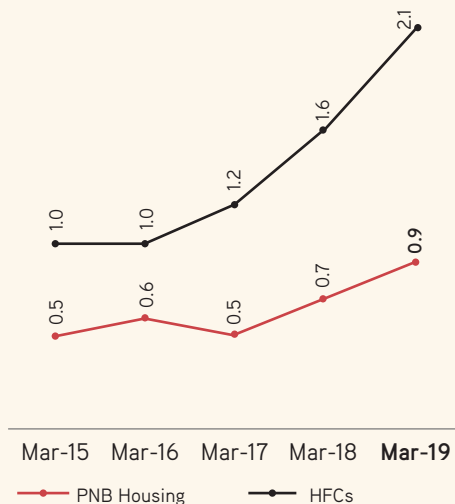
- Mark-to-market policies with tailor-made offerings
- Multiple checks and balances with maker-checker approach and IT support

## 3C APPROACH: COUNSEL, COLLECT AND CURE

- Periodic portfolio scrub for early-warning signs
- In-house contact centre with payment gateway integration
- Special cadre of professionals for legal resolution
- On-the-go collections for effective supervision

- Strong asset quality, with one of the lowest two-year lagged non-performing assets

Two-year lagged NPA (%)



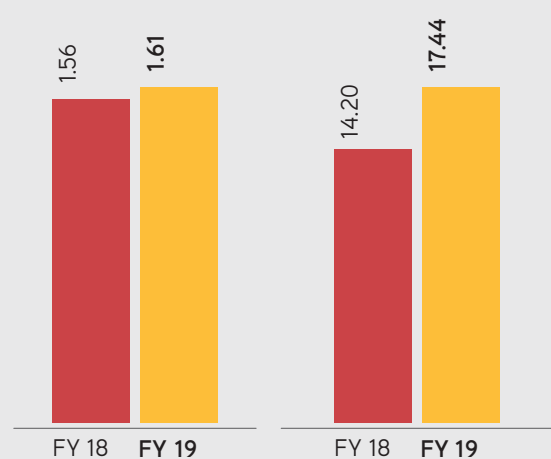
The HFCs' data has been sourced from CRISIL report.

## Strong margin-accretive position

- Stable liquidity management with a well-diversified funding mix and prudent utilisation of alternative funding
- Seamless customer experiences with value-added services
- Durable banking relationships, product knowledge and technical expertise
- Time-tested sales process and go-to-market approach
- Differentiation with technology, innovation and data-led insights

- Average yield is 10.35%
- Average borrowing cost is 8.00%
- Raised ₹3,324 crores through external commercial borrowings, fully hedged for five years
- Securitised ₹7,337 crores through direct assignment
- Received refinance sanction of ₹3,500 crores from the National Housing Bank (NHB)
- Operating leverage playing out with better return profile

ROA\* (%) ROE\* (%)



\*FY 18 and FY 19 financial numbers are on Ind AS basis.

## KEY PERFORMANCE INDICATORS



## Operating Context

# BROAD TRAJECTORIES THAT SHAPE OUR MARKETS

The objective is to seek opportunities and manage risks by analysing the mega trends impacting the economy. We believe, by responding proactively to these trends PNB Housing can grow consistently and deliver sustainable returns.



### MACROECONOMIC ENVIRONMENT

Housing demand is closely correlated to economic development and India continues to be one of the world's fastest growing major economies. The Central Statistics Office estimates that the nation grew 6.8% in FY 2018-19, driven by strong private consumption, accommodative monetary policy, outcomes of structural reforms such as the Real Estate Regulation Act, the Insolvency and Bankruptcy Code and recapitalisation of public sector banks (PSBs), subdued retail and food inflation rates and greater fiscal prudence.

Going forward, middle class expansion, urbanisation, favourable demographics, technology and innovation, and evolving preferences will drive private consumption, while continued structural and financial reforms, fiscal consolidation and lower public debt, improved Goods and Services Tax compliance, and better governance of PSBs will support an environment conducive to business and investment.

India improved its ranking by 23 places to achieve the 77<sup>th</sup> position among 190 countries in the World Bank's 2018, Ease of Doing Business index.





## Industry trends

Demographic and economic development	Mass housing	Government's policy initiative
<ul style="list-style-type: none"> <li>• Growing young and aspirational working population</li> <li>• Steady urbanisation and changing lifestyles with shift in preference towards nuclear households</li> <li>• Slow credit growth at banks</li> </ul>	<ul style="list-style-type: none"> <li>• Greater demand for housing in tandem with population expansion</li> <li>• Mismatch of demand and supply in the urban housing segment</li> <li>• Underserved housing requirements of those with below-median income levels</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate regulations, faster approval processes and constitution of land banks to ensure greater transparency and efficiency</li> <li>• 'Housing-For-All' (formally known as the 'Pradhan Mantri Awas Yojana' (PMAY) project aims to subsidise the construction of 2.95 crore rural houses and 1.2 crore urban houses by 2022; this scheme will raise per capita home ownership</li> <li>• Expansion of PMAY to MIG-I and MIG-II</li> <li>• Revised limit for housing loans under priority sector lending</li> </ul>

## Impact

<ul style="list-style-type: none"> <li>• New customer profiles and expectations</li> <li>• Greater need for advisory services</li> <li>• Market share gain for housing finance companies</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of a large number of housing finance companies with a sharp focus on urban housing</li> <li>• Lower income segments and customers in the informal sector to drive growth</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate financial and regulatory support in real estate segment</li> <li>• Demand origination in rural and semi-urban areas</li> <li>• Large mortgage disbursement opportunity</li> </ul>
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## Our strategic response

 <p><b>Customer</b></p> <p>Delivering products and services to customers with high quality and efficiency</p>	 <p><b>Asset quality</b></p> <p>Ensuring high quality assets through strong due diligence, credit underwriting, monitoring and collection mechanisms</p>	 <p><b>Average ticket size</b></p> <p>Catering to the middle- and higher middle income segments, through retail loans in mass housing</p>	 <p><b>Business acquisition</b></p> <p>Maintaining a judicious customer profile ratio, while acquiring new business and improve yield</p>
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## Business Model

# VALUE CREATION IS AN ENDURING JOURNEY

We look at value creation in a holistic manner that benefits our stakeholder universe sustainably.

### STAKEHOLDER RELATIONSHIPS WE DEPEND UPON

#### INVESTORS

Business initiatives require financial capital, which includes shareholders' equity, debt and operating cash. Our investors are key to the financial resources necessary to run the business.

**₹7,543.9 crores**  
Shareholders' equity

**9.30 times**  
Average gearing

#### EMPLOYEES

Our people bring on board expertise and experience to drive efficiency in all aspects of the business.

**1,609**  
Total workforce

#### PARTNERS

The Company reaches out to customers through in-house distribution channels and independent sales agents. Consultation with external service providers and auditors is undertaken to fulfil various business objectives.

**25,000+**  
External sales partners (including direct marketing agents, deposit brokers and connectors)

#### CUSTOMERS

Individuals, households, businesses and corporates help in generating revenues through interest payments.

**₹84,722 crores**  
AUM

#### GOVERNMENTS AND REGULATORS

We are committed to good governance practices, adhering to all pertinent regulatory frameworks, complying with taxes payable on our products and services and conducting constructive dialogue with relevant authorities

**₹503.48 crores**  
Paid in taxes to the exchequer (excluding GST)

#### COMMUNITIES

We derive the license to operate from the trust our stakeholders place in us. The goal is to validate this trust through our initiatives.

**₹17.24 crores**  
CSR spend

**40,000+**  
CSR beneficiaries



## BUSINESS PROCESSES

## OUTCOMES

### MAKING

owning a home a seamless experience

### OFFERING

a broad range of products to suit the requirements of different customers



Regular returns to investors

### PRODUCT DESIGN

- Risk management
- Actuarial insights
- Data science

### PRODUCT DISTRIBUTION

- Branch network, in-house, direct sales agents and digital platforms



Creation of jobs, upskilling of high-potential talent and providing career development opportunities

HOUSING LOANS



NON-HOUSING LOANS



Reliable value-accretive partnerships for associates, offering insights and analysis

### ADDITIONAL SERVICES

- Dedicated contact centre
- Last mile connectivity
- Delivery through digital platform

### INVESTMENTS

- Asset liability management
- Customer profiling
- IT platform integration



Trusted experience and solutions that offer unparalleled service

### OPERATIONS

- Customer service
- Payments
- Collections

### POSSESSING

sector-specific knowledge and technical expertise to better understand customers

### EVALUATING

risks to people, property and assets for the sake of business sustainability



Direct and indirect contribution to the prosperity of local communities

## Board of Directors

# STRONG GOVERNANCE



**MR. SUNIL MEHTA**

DIN 07430460

**He is the Non-Executive Chairman of PNB Housing Finance Limited since May 12, 2017.**

Mr. Mehta is the Managing Director and Chief Executive Officer of Punjab National Bank. Prior to that, he was the Executive Director of Corporation Bank. He started his banking career as an Agriculture Field Officer at Allahabad Bank in 1982 and has worked in various administrative and functional capacities at branches, zonal offices and the head office. He has held various important positions in agriculture, retail, credit and planning and development. He has over 35 years of experience in the field of banking.



**MR. L V PRABHAKAR**

DIN 08110715

**He is a Non-Executive Director of PNB Housing Finance Limited since August 9, 2018.**

Mr. Prabhakar is also the Executive Director of Punjab National Bank since March 1, 2018. Prior to that, he had served in Allahabad Bank in various capacities. He worked at Corporate Office as Head of various important verticals, namely, information technology, retail banking, priority sector credit, micro, small & medium enterprises (MSME) credit, financial inclusion, human resource development and integrated risk management. He was also on the Board of Allahabad UP Gramin Bank.

**Committee Membership:** Nomination and Remuneration, Corporate Social Responsibility and Risk Management



**MR. SUNIL KAUL**

DIN 05102910

**He is a Non-Executive Director of PNB Housing Finance Limited since March 5, 2015.**

Mr. Kaul was the President of Citibank Japan and the Chairman of CitiCards Japan KK and CitiFinancial Japan KK. He was also the Head of Retail Banking for Citibank in Asia, the Head of International Personal Banking for Citibank in New York and the Head of Global Transaction Services at Citibank, Japan. At present, he is the Managing Director of Carlyle Singapore Investment Advisors Pte Limited and is the Head of South East Asia for financial services sector of the Carlyle Asia Buyout Advisory Team and concurrently heads the financial services sector for the team in Asia. He has over 30 years of experience in the fields of private equity, corporate and consumer banking.

**Committee Membership:** Nomination and Remuneration, Stakeholders Relationship and Risk Management

**MR. S. K. JAIN**

DIN 00047474

He is an Independent Director of PNB Housing Finance Limited since August 14, 2014.

Mr. Jain has also served as a member of the Beta Gamma Sigma Society of the Indiana University chapter. He had worked with Citibank in various senior positions at Hong Kong, Taiwan, Philippines and Canada. He has more than 31 years of experience in the field of credit, finance and risk management.

**Committee Membership:** Credit (Chair) and Risk Management

**MR. R CHANDRASEKARAN**

DIN 00580842

He is an Independent Director of PNB Housing Finance Limited since October 7, 2015.

Mr. Chandrasekaran was the Executive Vice Chairperson of Cognizant India since December 1, 1994. He retired in March 2019. Prior to joining Cognizant, he worked with Tata Consultancy Services for over nine years. He has over 35 years of experience in the field of information technology.

**Committee Membership:** Nomination and Remuneration and Corporate Social Responsibility (Chair)

**MR. NILESH S VIKAMSEY**

DIN 00031213

He is an Independent Director of PNB Housing Finance Limited since April 22, 2016.

Mr. Vikamsey is the past President of The Institute of Chartered Accountants of India and is a member since 1985. He is partner in Khimji Kunverji and Co. since 1985. He has over 30 years of experience in the fields of auditing, taxation, corporate and personal advisory services, business and management consulting services, due diligence, valuations, inspections and investigations.

**Committee Membership:** Audit and Nomination and Remuneration (Chair)



## Board of Directors (contd.)



**PROF. (DR.) GOURAV VALLABH**  
DIN 02972748

He is an Independent Director of PNB Housing Finance Limited since April 22, 2016.

Dr. Vallabh is a Professor of Finance at The Xavier School of Management, Jamshedpur. He was a Professor at the Management Development Institute, Gurgaon. He was a Director at The Institute of Chartered Accountants of India. He has worked with the National Institute of Bank Management, a Reserve Bank of India undertaking. He has more than 15 years of industry and academic experience and has published more than a dozen research papers in referred academic journals and presented papers in many national and international academic conferences.

**Committee Membership:** Audit and Risk Management (Chair)



**MR. ASHWANI KUMAR GUPTA**  
DIN 00108678

He is an Independent Director of PNB Housing Finance Limited since May 12, 2017.

Mr. Gupta is a member of The Institute of Chartered Accountants of India, 1977 batch. He has also served as the Regional Council Member of Central India Regional Council of The Institute of the Chartered Accountants of India. He is also associated with various charitable trusts & organisations. He has over 34 years of experience in finance, treasury, real estate, securitisation and reconstruction of assets.

**Committee Membership:** Credit, Stakeholders Relationship and Corporate Social Responsibility



**MRS. SHUBHALAKSHMI PANSE**  
DIN 02599310

She is an Independent Director of PNB Housing Finance Limited since July 7, 2017.

Mrs. Panse is the former Chairperson and Managing Director of Allahabad Bank and Executive Director of Vijaya Bank. She started her stint with Bank of Maharashtra. She has undergone trainings and courses at various prestigious institutes. She has over 38 years of experience in the field of banking, particularly in corporate credit appraisal, credit monitoring, NPA management, planning, project appraisal and in economics, finance and information technology.

**Committee Membership:** Audit (Chair) and Stakeholders Relationship (Chair)

**MR. NEERAJ VYAS**

DIN 07053788

**He is an Independent Director of PNB Housing Finance Limited since April 15, 2019.**

Mr. Vyas superannuated as Deputy Managing Director and Chief Operating Officer (COO) of State Bank of India (SBI) on June 30, 2018. He designed and conceptualised the scheme of merger of five associate banks and Bharatiya Mahila Bank with SBI. He is a senior banking professional with over 35 years of experience in the Indian banking sector, across a range of diverse functions such as retail banking, commercial banking, product development, human resources and management information system (MIS).

**Committee Membership:** Credit

**MR. SANJAYA GUPTA**

DIN 02939128

**He is the Managing Director of PNB Housing Finance Limited since June 25, 2010.**

Prior to his current assignment, Mr. Gupta has worked for large corporate houses such as HDFC Limited, ABN Amro Bank N.V. and AIG United Guaranty. He is an Independent Director at India Shelter Finance Corporation Limited, where he also heads the Audit Committee of the Board. Mr. Gupta is on the RBI Advisory Panel for development of mortgage securitisation market in India. He is also a Fellow of the Royal Institution of Chartered Surveyors. Throughout his career spanning over 32 years, he has been contributing to the ontogenesis of mortgage industry and allied risk management products across India. He is often consulted by the policy makers for key changes in the sector.

**Committee Membership:** Credit, Stakeholders Relationship, Corporate Social Responsibility and Risk Management

## Leadership Team

# RICH EXPERIENCE



**MR. SANJAYA GUPTA**

*Managing Director*

Under Mr. Gupta's leadership, PNB Housing scaled new heights and witnessed a sea change in the operational robustness and go to market strategy. Throughout a career spanning over 32 years, he has significantly contributed to the mortgage industry and allied risk management products across geographies. He is often consulted by policymakers for key changes in the sector. He has previously worked for large corporate houses such as HDFC Limited, ABN Amro Bank N.V. and AIG United Guaranty.



**MR. SHAJI VARGHESE**

*Executive Director and Business Head*

With more than 22 years of experience in loan assets, liabilities and wealth management, Mr. Varghese has been an integral contributor in setting up large successful businesses across geographies and managing high performance teams. He has also handled assignments with leading financial institutions and banks such as ABN AMRO Bank NV, ICICI Bank and Indusind bank.



**MR. AJAY GUPTA**

*Executive Director and Chief Risk Officer*

A Chartered Accountant and an accomplished risk management professional, Mr. Gupta has over 27 years of rich experience in credit cycle management across a diverse product group. He has also worked with Religare Finvest Limited, Money, ANZ Grindlays Bank and Standard Chartered Bank in various roles.





#### **MR. NITANT DESAI**

*Chief Centralised Operation and Technology Officer*

Mr. Desai is an astute professional with more than 33 years of varied and relevant experience in retail finance with leading banks and financial institutions in India and the Middle East. Prior to PNB Housing, he worked with reputed organisations such as HDFC Life Insurance Co. Limited, Union National Bank – Abu Dhabi, ICICI Bank Limited, GE Countrywide, TATA Finance Limited and HDFC Limited.



#### **MR. ANSHUL BHARGAVA**

*Chief People Officer*

Mr. Bhargava is a Human Resources professional with over 25 years of experience that enables an excellent understanding of variety of spheres related to human assets. He has a keen interest in mentoring and training, performance management and cadre building. His last assignment was with Asset Reconstruction Company (India) Limited. He has also served the Indian Army.



#### **MR. KAPISH JAIN**

*Chief Financial Officer*

A business-focused, solution-oriented finance professional, Mr. Jain holds more than 20 years of experience across all facets of finance and analytics. He is a qualified Chartered Accountant, Company Secretary and Cost Accountant. Previously, he was at Xander Finance, AU Small Finance Bank, ICICI Prudential Life Insurance and Deutsche Bank, among others.



#### **MR. SANJAY JAIN**

*Company Secretary and Head Compliance*

Mr. Jain comes with more than 29 years of experience in corporate finance, treasury, regulatory compliances, legal issues and internal audit. He is a law graduate and a fellow member of The Institute of Companies Secretaries of India. He has been with PNB Housing for the preceding two decades.

## Community Focus

# EXPANDING SOCIETAL IMPACT

One of the key roles for PNB Housing is to help improve the lives of underprivileged sections of the population and contribute to an empowered and inclusive society. Our interventions largely emphasise on the welfare of construction workers and their immediate family members. Other thematic areas the Company focuses on include formal education for the underprivileged children, environment conservation and enhanced access to healthcare.



‘Saksham’ is the corporate social responsibility (CSR) umbrella initiative as a part of which, PNB Housing intervenes in various ways to give back to society. During the year, we continued to empower one of the key stakeholders, that is, construction workers. Significant investment in the welfare of construction workers has also been focused on. The intervention areas are illustrated here in detail.

**40,000+**  
CSR beneficiaries

## ENHANCING HUMAN POTENTIAL

In collaboration with Confederation of Real Estate Developers Association of India (CREDAI), the apex body of real estate developers, PNB Housing conduct on-site and off-site training programmes for construction workers. The partnership dates back to 2015. Skill upgradation in masonry, bar bending, painting, electrical, plumbing and shuttering were some aspects to which attention was devoted.

The training's overriding objective is to enhance the professional capabilities of these people and help improve their quality of life. This also leads to a reduction in the wastage of material and a distinct improvement in the quality of work. The programme includes soft skill trainings, health and sanitation awareness, aspects of workers safety, among others.

A mix of 'classroom' and 'on-the-job' sessions at construction sites are organised for training on industry-specific job roles. During the year, 6,500 construction workers were trained over a period of four weeks, with an average 73% pass percentage. Unemployed youth is being educated through tie-ups with either construction companies or labour contractors to employ them at CREDAI's members' construction sites. During the year, 4,000 workers were trained through nine off-site centres, with an average 85% pass percentage. Candidates have been placed, with an average salary of ₹8,000-10,000, with registered contractors.

In FY 2018-19, PNB Housing provided training to 10,500 workers across the country and has committed to train 13,000 more in the next year.

## NURTURING CHILDREN OF MIGRANT WORKERS

In association with NGO partners, we operate 33 day care centres in 10 states. Partnerships with five implementing agencies and seven grassroots organisation have been established. On an average, through each centre, we reach out to 3,600 children every quarter.

This day care centres address multi-dimensional requirements of a child through an eight-hour programme, conducted over six days a week. This is an age-appropriate intervention for infants, toddlers and school-going children and provide an environment for their care and protection. To further enhance the impact, we collaborated with experts from National CSR Hub –Tata Institute of Social Science to organise monitoring and evaluation trainings across three locations: Delhi NCR, Mumbai and Bangalore. The two-day training saw discussions by partner NGOs on identifying critical reporting parameters for child health, nutrition, growth and school enrolment, among others.

## SECURING WELFARE OF CONSTRUCTION WORKERS

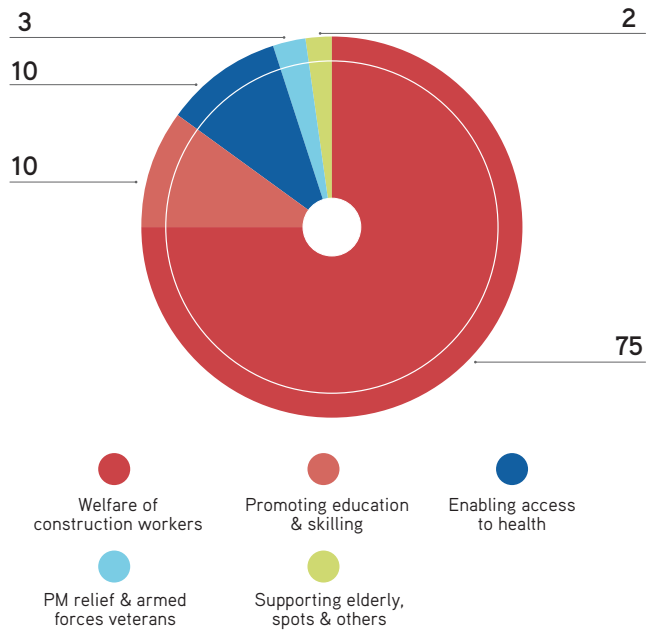
During the year under review, a pilot programme was launched in partnership with Aajeevika Bureau, to address the vulnerabilities of workers across two construction sites in Ahmedabad. Social security benefit linkages are provided to 1,000 workers. The broader focus is to cover critical areas of social security, financial inclusion, health and safety.

## PROMOTING EDUCATION

Quality education requires support in order to be both significant and relevant. Education at government schools in particular is an area of concern. The Company is associated with Vidya schools and South Delhi Municipal Corporation.

## Sector wise allocation

(%)



This intervention ranges from investing in the overall assessment system of the school to revamping the entire academic system. Scholarship 'Protsahan' was offered to meritorious students who were pursuing MBA in marketing and finance or law at reputed colleges but were facing financial constraints.

In addition, the Company joined hands with Sri Aurobindo Society (SAS), a global non-profit, to support the 'Rupantar' programme. The programme, recognised by the state government, is helping build capacity of over 3,000 teachers and officials to further support everyday challenges faced by children with special needs.

## IMPROVING ACCESS TO HEALTHCARE

PNB Housing constantly aims to improve the health of the socially and economically marginalised sections of society. Support is extended to government hospitals, alongside improving the health and hygiene of young adolescents.

### Medical equipment support

The partnership with All India Institute for Medical Sciences (AIIMS), Delhi and King George's Medical University (KGMU), Lucknow continued for the second year to bolster healthcare infrastructure at these hospitals. We donated surgical equipment to Departments of Neurosurgery and Cardiothoracic and Vascular Surgery, AIIMS. Similar support was also extended to Neonatology Department at KGMU. This will ensure timely care in cases of jaundice, respiratory issues and other such illnesses suffered by new-borns.

### Health and hygiene of young adolescent girls

The Company's health and hygiene awareness programme for young adolescent girls in five villages of Uttar Pradesh with a non-profit (Progress Alternative) has widened its scope of intervention. The health programme at each village focused on providing reproductive and child health training and spreading awareness on communicable and non-communicable diseases, social issues such as disadvantages of early child marriage, importance of family planning and so on.



## Community Focus (contd.)



### Patient aid

In partnership with another non-profit (Can Support), we continued our support towards operating the 24X7 helpline for cancer patients, in the year. Extension of support towards the outpatient clinic/day care facility for cancer patients and caregivers was provided. Through all of the above, over 3,000 cancer patients and caregivers were reached.

### Infrastructure development

Sanjivini Society for Mental Health is a registered non-profit working to address the mental health needs of the community through free and confidential counselling services. During the year, we collaborated with them to ensure rehabilitation of their crisis intervention centre in Defence Colony, New Delhi where free counselling is offered to clients in person, or over the phone. Cost of solar panel installation and painting of the centre was supported, enabling sustained provision of quality mental health services.

### OTHER INITIATIVES

#### Environment conservation

The goal is to positively impact the social and environmental ecosystem in which the Company operates. Towards that purpose, small steps were undertaken to add greenbelts to various surroundings as well as restore misused public spaces. For the preceding three years, a public park was adopted in Faridabad, which was in a dilapidated state and required complete renovation. Infrastructure was refurbished and regular plantation drives were undertaken to maintain it. Over 30,000 saplings were planted within this time. We recently joined forces with Anthill Creations and End

Poverty to turn a public space near Aralikatte, Bangalore into a colourful and engaging playscape for children and the wider community.

### Support to senior citizens

A report released by the United Nations Population Fund and HelpAge India suggests that the number of senior citizens is likely to touch 173 million by 2026. This calls for better healthcare facilities and infrastructure. PNB Housing supports the residents of Ayudham Society for the Old and Infirm in Delhi NCRs and other non-residential senior citizens (from marginalised sections) to help fulfil their basic necessities, healthcare, nutrition and other wellness needs.

### Access to opportunities

Partnerships were established with SRF Foundation and Sunrise Sports, where we worked with the children in the government schools adopted by SRF Foundation in Chennai and Bangalore, using sports as a medium of empowerment. SRF Foundation has adopted 170 government schools pan India with a commitment to ensure holistic development of children. In the year under review, PNB Housing introduced badminton facility at 20 of these government schools across Bangalore and Chennai. 945 students have been enrolled into the badminton training programme.

### Volunteering drive

We deeply value the contribution and enthusiasm of our people when it comes to supporting noble causes, from making charitable donations to participating in social welfare events and campaigns.