

DIRECTORS' REPORT

Your Directors welcome the shareholders and take pleasure in presenting the 33rd Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2021.

FINANCIAL RESULTS (CONSOLIDATED)

	March 31, 2021	March 31, 2020
(₹ in crores)		
Total Income	7,624.08	8,489.55
Total Expenditure	6,417.05	7,678.54
Profit Before tax	1,207.03	811.01
Less: Provision for Tax		
- Current Year	413.25	389.24
- Deferred Tax	(136.12)	(224.47)
Profit After Tax	929.90	646.24
Other Comprehensive Income (OCI)	(20.69)	(55.30)
Total Comprehensive Income for the Year	909.21	590.94
• Transfer to Statutory / Special Reserves	197.00	182.00
• Dividend Paid	-	151.27
• Dividend Distribution Tax Paid	-	31.10
Balance Carried to Balance Sheet	732.90	226.57

The standalone and the consolidated financial statements for the financial year ended March 31, 2021, forming part of this annual report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

During the year, the Company has earned a total income of ₹7,624.08 crores as compared to ₹8,489.55 crores in the previous year, recording a decline of 10.19%. Total expenses, provisions and write offs during the year were ₹6,417.05 crores as compared to ₹7,678.54 crores in the previous year, a decline of 16.43%.

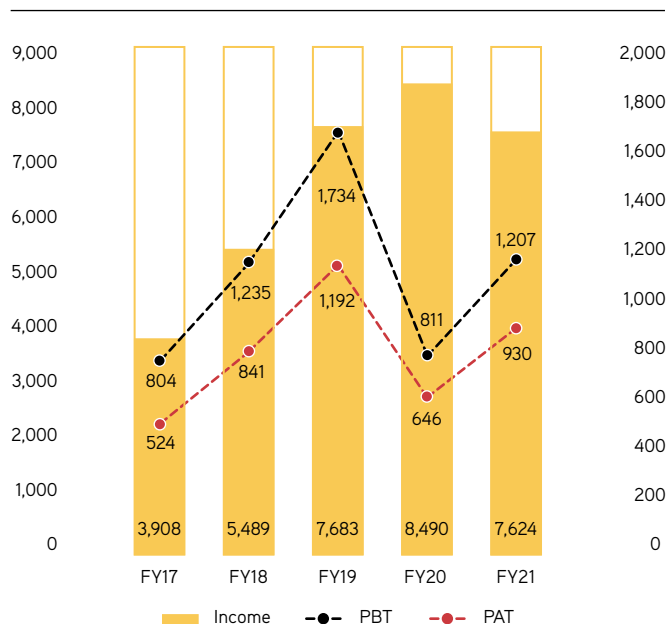
During the year, the Company has earned Pre-provision Operating Profit of ₹2,068.93 crores as compared to ₹2,062.38 crores in the previous year.

During the year, the Company has earned a Profit before Tax of ₹1,207.03 crores as compared to ₹811.01 crores in the previous year, recording an increase of 48.83%. The Profit after Tax during the year was ₹929.90 crores as compared to ₹646.24 crores in the previous year, an increase of 43.89%.

As per IND AS, during the year, the Company has made Expected Credit Loss (ECL) provision (on loan assets) of ₹778.50 crores as compared to ₹1,171.49 crores in the previous year. The Company is carrying total ECL provision of ₹2,544.11 crores.

Income & Profitability

(₹ in crores)



CAPITAL ADEQUACY RATIO

The Capital Adequacy Ratio (CRAR) as on March 31, 2021, was 18.73% (comprising Tier I capital of 15.53% and Tier II capital of 3.30%). The Reserve Bank of India (RBI) has prescribed minimum CRAR of 14% of total risk weighted assets for FY 21.

DIVIDEND

It is advisable to preserve capital in these difficult times. Therefore, like last financial year, your Directors have not recommended any dividend for the year.

LENDING OPERATIONS

The Company during the year has laid out its strategy with focus upon strengthening the core, driving efficiency and accelerating growth. These are built upon core pillars viz. Management, Capital Position, Risk Management, Cost Management, Digital Drive, Retail Focussed Lending and Grow Affordable Housing "Unnati".

The Company is a housing finance company registered with NHB 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.

The Company as a retail focussed housing finance company, continued to leverage its expertise in self-employed and mass housing especially in affordable housing Unnati segment, where it has developed niche in terms of distribution network, underwriting capability and services.

The first half of financial year 2021 was impacted by partial/ complete lockdown in the country. The business started picking up from quarter 3 onwards.

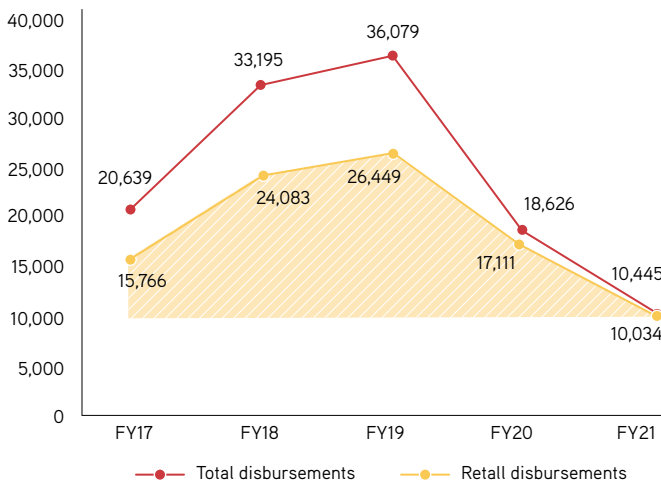
The Company has sanctioned loans amounting to ₹15,301 crores in respect of 50,454 loan applications, as compared to ₹24,503 crores in respect of 73,553 loan applications in the previous year, decline of 31% in number of loan applications received and decline of 38% in loan sanctioned amount.

During the year, the Company has disbursed loans amounting to ₹10,445 crores as compared to ₹18,626 crores in the previous year, decline of 44%. With retail focussed lending, during FY 21, 96% of loans disbursed were in retail segment.

Company has taken various steps such as digital sourcing, entering into co-lending arrangement with banks etc. for scaling up of business, which will continue to benefit in coming years.

Loan disbursements

(₹ in crores)



Loan Book

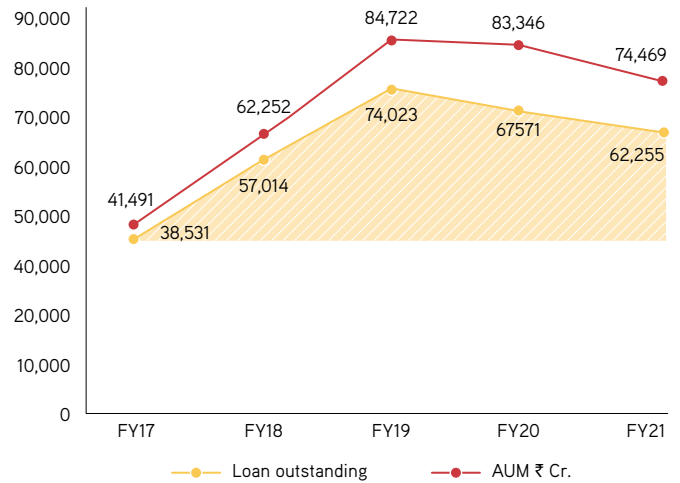
Principal outstanding of loans as at March 31, 2021 were ₹62,255 crores. The Assets Under Management (AUM) as at March 31, 2021 were ₹74,469 crores. Further details of lending operations are provided in the MD&A.

PMAY subsidy

During the year, the Company disbursed subsidy under PMAY scheme in 12,412 accounts with a sanction value of ₹2,809 crores. The total subsidy transferred in the beneficiary accounts amounted to ₹297 crores.

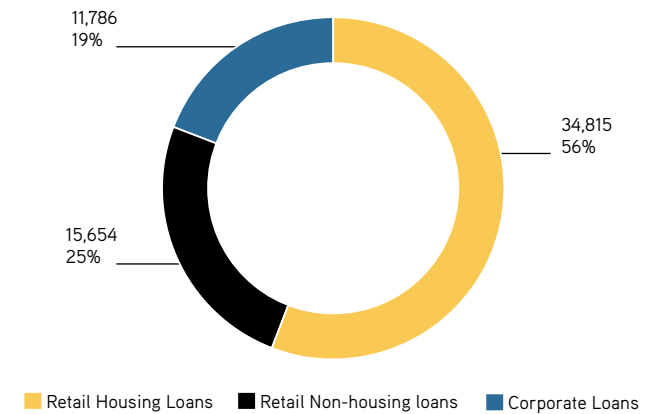
Loan outstanding and AUM

(₹ in crores)



Composition of Loans

(₹ in crores)



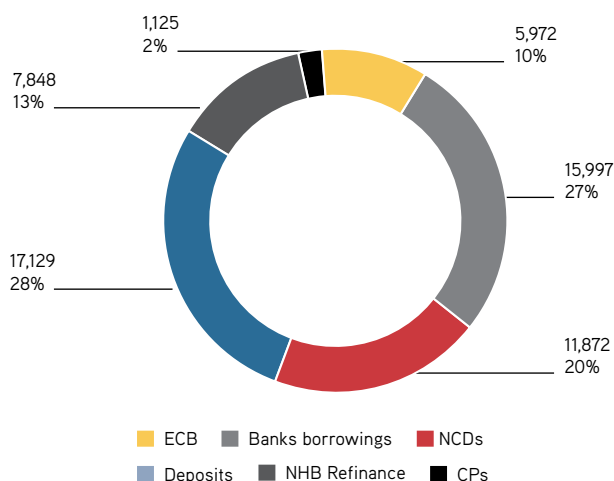
BORROWINGS

During the year, the Company has raised fresh resources of ₹29,131 crores from multiple sources. The Company also securitised ₹789 crores in FY 21 through direct assignment route. The Company repaid short and long-term borrowings of ₹37,405 crores.

Details of market borrowings are provided in the MD&A and notes to accounts.

Borrowings

(₹ in crores)



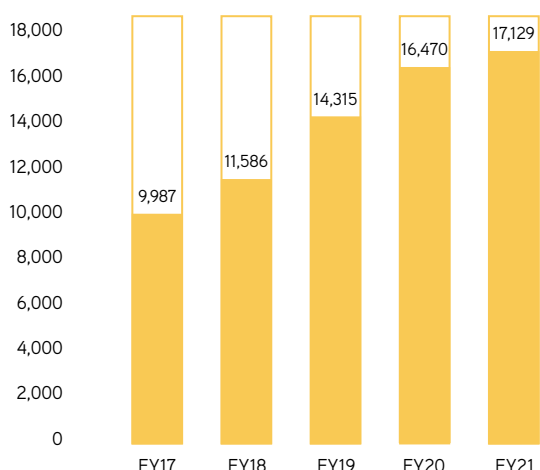
The Company is in compliance with the provisions of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, and erstwhile Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 and has been regular in payment of principal and interest on the Non-Convertible Debentures. As at March 31, 2021, there was no NCDs or interest thereon, remaining unclaimed or unpaid.

DEPOSITS

The Company has raised ₹7,289 crores of fresh deposits during the year. The outstanding deposits (including inter corporate deposits) as at March 31, 2021, were ₹17,129 crores as against ₹16,470 crores (including inter corporate deposits) outstanding last year, registering a growth of 4%.

Deposits

(₹ in crores)



The Company has accepted public deposits as per Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, erstwhile National Housing Bank Directions, 2010 and as per the provisions of the Companies Act, 2013. The Company has paid/accrued interest on all the outstanding deposits on due dates. There has been no default on repayment of deposits or payment of interest thereon during the year.

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

Investment in SLR

The Company has maintained its Statutory Liquid Ratio (SLR) as stipulated by Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The Company is having a total SLR investments of ₹1,941.79 crores as on March 31, 2021. 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, 2021, deposits worth ₹45.66 crores, including interest accrued and due relating to 2,710 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). During the year, the Company has transferred an amount of ₹5.21 lakhs to IEPF established by the Central Government under section 125 of the Companies Act, 2013. The concerned depositors can claim the deposit from the IEPF.

CREDIT RATING

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 Directors' Report.

DISTRIBUTION

As on March 31, 2021, the Company has presence through 94 branches, 17 outreach locations, totalling to 111 distribution outlets. The Company also has 22 underwriting hubs for credit decision making.

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 National Housing Bank (NHB), Reserve Bank of India (RBI), 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, the Business Responsibility Report (BRR) also forms part of Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During FY 21, the whole country faced once in a century medical emergency due to Covid-19. It required immediate response in terms of enhanced expenditure towards medicines, personal protection kits, upgrade of medical facilities/infrastructure etc. The Company quickly responded to nation's need with enhanced allocation/expenditure on Covid-19 and other medical related requirements. During the year, the Company supported;

- IIT Delhi with its research project aimed at making cost effective face masks and face shields.

- b) The Company, jointly with an organization helped in Maharashtra Government's Initiative to establish CT Scan Facility in the state run Covid-19 facility.
- c) The Company is investing in renovation and upgradation of the Biochemistry lab and civil infrastructure of a large state-run hospital in Pune.
- d) The other healthcare initiatives of the Company included: providing a state-of-the-art digital anatomy printer to AIIMS Delhi, providing medical equipment to three primary health care centers in Bangalore and launch of two mobile health care units in New Delhi for generic health facility and to support cancer patients.

The other CSR activities undertaken by the Company during the year were;

- a) Support for the real estate sector providing for skilling programme for construction workers and day care centers for their children. The Company supported operational cost of running care centers for children across the country for holistic development and safety of the children of the construction workers.
- b) In the field of education, the Company continued its support towards operational cost for running two formal schools. The Company initiated physical transformation project for two schools in socio-economic backward districts of Haryana and Rajasthan.
- c) For women empowerment and livelihood generation, the Company has provided e-vehicles to poor women. Company sponsored setting up of women owned spice-based units in Rajasthan.
- d) Company has partnered with an organization for construction of ponds and check dams in Rajasthan.

The details of Company's CSR activities and initiatives are detailed in the Annual Report on CSR activities and forms part of annexure to the Board's Report.

During the year, the Company and its subsidiary have spent a sum of ₹24.68 crores on various CSR activities. Out of total allocation for FY 21, a sum of ₹16.04 crores (₹14.71 crores from PNB Housing and ₹1.33 crores from PHFL) was transferred to Peהל Foundation to carry out CSR activities of PNB Housing and its subsidiary.

HUMAN RESOURCE

The HR played an important role during the year not only taking care of the existing employees but also timely on-boarding of vacant positions across all locations including internal talent pool growth. The Company also introduced Restricted Stock Unit (RSU) scheme in order to retain talent.

The Learning and Development (L&D) is continuously building and developing talent pipeline. The Company introduced digital initiatives for loans and deposit customers. The L&D team played an important role in developing skillsets required by the ground teams for digital initiatives. Due to movement restrictions and to exercise abundant precautions, the L&D used technology based virtual learning interventions to meet the diverse needs of the workforce. The entire classical learning model has been transformed into robust digital and social learning model at the Company. E-Guru is an exclusive learning platform used by L&D that intends to implement

a learning roadmap for new employees and also ensures upskilling of existing employees on both techno-functional and behavioural skills.

As on March 31, 2021, the Company had a total of 1,391 full time employees on its rolls. There were 4 employees employed throughout the year, who were in receipt of remuneration of ₹1.02 crores or more per annum. The remuneration comprises salary, allowances, perquisites/ taxable value of perquisites including perquisite value of ESOPs exercised and ex-gratia amount.

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn of the aforesaid employees are set out in the Annexure to the Directors' report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 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 appended to the Directors' Report.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace. Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints.

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 was reviewed and actioned upon. There are no pending complaints with the committee as at March 31, 2021.

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 Companies Act, 2013. 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, 2021.

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 entered 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, is annexed to this report. Details of related party transactions are given in the notes to the financial statements. 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 is covered under Environment, Social and Governance (ESG) section.

There were no foreign exchange earnings and the Company has incurred foreign exchange expenditure of ₹115.62 crores during the year.

Business Continuity

The Company has upgraded its technology to facilitate on-boarding of new loans and deposit customers by using digital platforms. These platforms are now extensively used to service existing customers. Given the current uncertain environment, the Company can swiftly shift all its operations to work from home environment and continue operations with least disruptions in service operations.

MAINTENANCE OF COST RECORDS

Being an housing finance company, the Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

UNCLAIMED DIVIDEND

As at March 31, 2021, dividend amounting to ₹7.25 lakhs had not been claimed by shareholders of the Company. The Company has been informing the shareholders to claim unclaimed dividend.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

During the year, 81,215 equity shares of ₹10 each were allotted to the eligible employees on exercise of ESOP options under ESOP Scheme 2016 at a grant price of ₹338 per share.

Grant of Fresh ESOS

During the year, the Company has granted 5,50,000 options under ESOP Scheme 2016 and 1,45,000 options under ESOP Scheme 2018.

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) Regulations, 2014. The certificate from the statutory auditors confirming that ESOS Schemes have been implemented in accordance with the SEBI (SBEB) Regulations and shareholders resolutions has been obtained and will be available for inspection of the shareholders at the ensuing 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/>

Grant of Restricted Stock Units (RSUs)

The shareholders have approved grant of 5,00,000 RSUs by postal ballot on January 21, 2021. Thereafter, the Nomination and Remuneration Committee has granted 2,75,676 RSUs to eligible employees on February 15, 2021. These RSUs will be allotted to the eligible employees over a period of 4 years as per the RSU scheme approved by the Board and shareholders.

REGULATORY INTERVENTIONS

The Reserve Bank of India (RBI) vide its press release dated August 13, 2019, had notified that HFCs will be treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes.

The RBI post review of the extant regulatory framework applicable to the HFCs on February 17, 2021 has notified Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021, referred to as RBI Directions. The notification has repealed The Housing Finance Companies (NHB) Directions 2010, Policy circulars and Misc. Policy circulars issued by NHB.

Post issuance of RBI notification, the regulation part of housing finance companies (HFCs) now stands transferred to RBI. The NHB will however continue to supervise HFCs.

The RBI has also made applicable to HFCs its Master Directions on; Know Your Customer (KYC) Direction, 2016, Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 and Information Technology Framework for the NBFC Sector dated June 08, 2017, as amended from time to time.

Some of the key NHB notifications/ circulars replaced by RBI Directions are: (a) Terms and Conditions applicable to Hybrid Debt Capital Instruments to qualify for inclusion as Tier II Capital; (b) Schedule to the Balance Sheet of an HFC; (c) Indicative list of Balance Sheet Disclosure for HFCs; (d) 'Fit and Proper' Criteria for Directors of HFCs; (e) Model Code of Conduct for Direct Selling Agents/ Direct Marketing Agents of HFCs; (f) Guidelines for engaging Recovery Agents by HFCs; (g) Display of Information by HFCs & Most Important Terms and Conditions (MITC); (h) Valuation of Properties- Empanelment of Valuers; and (i) Guidelines on Wilful Defaulters.

RBI has also stipulated that the minimum capital adequacy ratio for HFCs would increase to 15% on or before March 31, 2022.

Regulatory Compliance

The Company has complied with Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 and erstwhile the Housing Finance Companies (NHB) Directions, 2010 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 and know your customer and anti-money laundering.

During the year, the Company has not made any application, or 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 statutory policies as required in terms of provisions of the Companies Act, 2013, RBI Regulations, Listing Obligation and Disclosure Requirement 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

The Board on the recommendation of Nomination and Remuneration Committee made the following appointments/re-appointments of additional directors subject to approval of shareholders:

- a) Mr. Hardayal Prasad was appointed as Managing Director & CEO with effect from August 10, 2020, for a term of three years.
- b) Mr. Neeraj Vyas was appointed as Non-Executive Director with effect from September 01, 2020. He is liable to retire by rotation.
- c) Mr. Sudarshan Sen was appointed as an Independent Director with effect from October 01, 2020, for a term of five years.
- d) Mr. Kapil Modi was appointed Non-Executive Nominee Director with effect from October 01, 2020. He is a nominee of Quality Investment Holdings. He is liable to retire by rotation.
- e) Mr. R. Chandrasekaran was re-appointed as an Independent Director with effect from October 07, 2020 for a term of five years.
- f) Mr. Rajneesh Karnatak was appointed Non-Executive Nominee Director with effect from January 19, 2021. He is a nominee of Punjab National Bank. He is liable to retire by rotation.
- g) Mr. Nilesh S. Vikamsey was re-appointed as an Independent Director with effect from April 22, 2021, for a term of five years.
- h) Ms. Gita Nayyar was appointed as an Independent Director with effect from May 29, 2021 for a term of three years.

The following Directors have resigned or completed their term;

- a) Mr Shital Kumar Jain completed his second term of one year as an Independent Director on August 09, 2020.
- b) Mr. Neeraj Vyas resigned as interim Managing Director & CEO with effect from August 10, 2020.
- c) Mrs. Shubhalakshmi Panse resigned as an Independent Director with effect from January 05, 2021.
- d) Dr Gourav Vallabh completed his five years term as an Independent Director on April 21, 2021.

Your Board wish to place on record its sincere appreciation for the significant contributions made by these Directors on the Board and also on its various committees.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr CH SS Mallikarjuna Rao and Mr. Sunil Kaul are liable to retire by rotation at the ensuing AGM. They are eligible for 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 Companies Act, 2013.

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

STATUTORY AUDITORS

The members had appointed Messrs B R Maheshwari & Co LLP having registration no. 001035N as the statutory auditors for a term of 5 consecutive years at the 30th AGM of the Company to hold office until the conclusion of the 35th AGM.

Messrs B R Maheshwari & Co is one of leading firms of Chartered Accountants with experienced partners. The report of Statutory Auditors on annual accounts is enclosed along with Directors' Report.

During the year, Messrs B R Maheshwari & Co LLP, received a total remuneration of ₹0.61 crores from the Company and 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.

During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Company has appointed M/s Chandrasekaran Associates a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit is annexed herewith as annexure to this report. The Secretarial Compliance Report as prescribed under SEBI regulations is provided elsewhere in 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 Companies Act, 2013 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 at March 31, 2021 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 Companies Act, 2013 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 commensurate with the size and nature of the Company's business.

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

EXTRACTS OF ANNUAL RETURN (FORM NO. MGT 9)

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

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

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

There has been no change in the nature of business of the Company.

PHFL Home Loans and Services Limited

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

During the year, the Company has sourced 77% of loan applications resulting into 65% of total loans disbursed by PNB Housing. The annual accounts of PHFL are enclosed along with the Annual Accounts of PNB Housing.

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

Peheil Foundation

It is a wholly owned non-profit subsidiary company incorporated under Section 8 of the Companies Act, 2013. It is an implementation arm to carry out various CSR activities of PNB Housing and PHFL. FY 2021 was the first year of its operation after getting the required regulatory approvals.

EQUITY SHARE CAPITAL

The Board of Directors in its meeting held on May 31, 2021 have recommended Preferential Issue of equity shares and warrants aggregating to ₹4,000 crores. The allotment will be made post receipt of regulatory/shareholders/legal approvals. The details of the capital raise is given in Notice of Extra Ordinary General Meeting, scheduled for June 22, 2021.

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 and lenders 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.

Finally, your Directors express their gratitude to medical fraternity, other professionals and front-line workers who have worked throughout to save lives and to contain the spread of the pandemic.

For and on behalf of the Board

Place: New Delhi
Dated: June 19, 2021

Chairman

ANNEXURE TO DIRECTORS' REPORT - 1

DISCLOSURES ON MANAGERIAL REMUNERATION

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

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 20-21: 20.3:1

Ratio of remuneration of each Director to the median employees' remuneration for FY 2020-21:

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. CH. S.S. Mallikarjuna Rao	Chairman & Non-Executive Director	-
Mr. Sunil Kaul	Non-Executive Director	-
Mr. R Chandrasekaran	Independent Director	-
Mr. Nilesh S Vikamsey	Independent Director	-
Mr. Ashwani Kumar Gupta	Independent Director	-
Mr. Tejendra Mohan Bhasin	Independent Director	-
Mr. Sudarshan Sen	Independent Director	-
Mr. Kapil Modi	Non-Executive Director	-
Mr. Rajneesh Karnatak	Non-Executive Director	-
Ms Gita Nayyar	Independent Director*	-
Mr. Hardayal Prasad	Managing Director & CEO	13.56:1
Mr. Neeraj Vyas	Non-Executive Non-Independent Director (was Interim Managing Director & CEO from 28.04.2020 up to 10.08.2020)	5.29:1
Mr. Sanjaya Gupta	Managing Director upto 28.04.2020	1.45:1
Mr. Shital Kumar Jain	Independent Director (up to 09.08.2020)	-
Mrs. Shubhalakshmi Panse	Independent Director (up to 05.01.2021)	-
Mr. Gaurav Vallabh	Independent Director (up to 21.04.2021)	-

*with effect from May 29, 2021.

- Percentage increase in the remuneration of the Managing Director, Chief Financial Officer and Company Secretary, if any, in the financial year 2020-21:

Name	Designation	Increase in Fixed Remuneration (%)
Mr. Hardayal Prasad	Managing Director & CEO	Appointed during FY 2020-21
Mr. Kapish Jain	Chief Financial Officer	Nil
Mr. Sanjay Jain	Company Secretary & Head Compliance	Nil

The performance linked bonus paid in FY 2020-21;

- Managing Director & CEO Nil.
- Chief Financial Officer ₹33,62,931/-
- Company Secretary ₹12,33,578/-

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

- The percentage increase in the median remuneration of employees in the financial year 2020-21 stood at Nil%
- The Company had 1,391 permanent employees as on March 31, 2021.
- 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 Nil % and non-managerial personnel was Nil %

There was no increase in remuneration in FY 2020-21. Generally, 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 policy on CSR is 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 stake holders. We are aiming to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

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

- Sustainability
- Transparency
- Accountability

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:

- Hunger, Malnutrition and Health
- Education
- Gender Equality, Empowerment of Women and care for Senior Citizens
- Environmental Sustainability
- National Heritage, Art and Culture
- Others: In case of any natural calamity/disaster contribute towards Prime minister relief fund or any specific fund maintained by Central/State Government of India; measures for welfare and benefit of armed forces veterans, war widows and their dependents.

2. Composition of CSR Committee

Sr. No.	Name of Director	Nature of Directorship	Number of meetings held	Number of meetings attended
1.	Dr Tejendra Mohan Bhasin w.e.f. 19.01.2021	Independent Director	4	2
2.	Mr. R Chandrasekaran	Independent Director	4	4
3.	Mr. Sudarshan Sen w.e.f. 19.01.2021	Independent Director	4	2
4.	Mr. Hardayal Prasad w.e.f. 10.08.2020	Managing Director & CEO	4	2
5.	Mr. Neeraj Vyas Up to 10.08.2020	Managing Director & CEO	4	1
6.	Mr. Ashwani Kumar Gupta Up to 19.01.2021	Independent Director	4	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.

<https://www.pnbhousing.com/investor-relations/corporate-governance/>

4. Details of the impact assessment of CSR Projects carried out in pursuance of Sub Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not Applicable

Currently, all the long-term projects are in the implementation stage. Post completion of these projects, the Company will on-board an independent agency with relevant experience to carry out impact assessment of the requisite projects.

5. Details of the amount available for set off in pursuance of Sub Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.			
2.			
3.			
TOTAL			

Not Applicable

6. 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 2020-21 is ₹1,135.79 crores.

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

₹22.72 crores is the two percent of the average Net Profit.

(b) 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.

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

There was no amount to be set off for the financial year.

(d) Total CSR obligation for the financial year (7a+7b-7c).

The total CSR obligation for the financial year 2020-21 is ₹22.72 crores.

8. (a) 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
₹22.72 crores	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (In ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration number
1	To refurbish the physical infrastructure of Government School	II	Yes	Nuh	Haryana	Mar'21-Mar'22	35,15,250	35,15,250	NA	Through implementing agency	Pehel Foundation and Implementing Agency	CSR00001686
2	To refurbish the physical infrastructure of Government School	II	Yes	Alwar	Rajasthan	Apr'21-Mar'23	45,00,000	45,00,000	NA	Through implementing agency	Pehel Foundation	CSR00001686
3	To refurbish the physical infrastructure for Government Schools	II	Yes	New Delhi	Delhi	Mar'21-Apr'22	50,00,000	50,00,000	NA	Through implementing agency	Pehel Foundation	CSR00001686
4	Skill development of construction workers	II	Yes		Pan India	Mar'21-Mar'22	40,12,800	40,12,800	NA	Through implementing agency	Pehel Foundation	CSR00001686
5	Establishing dams and ponds for water conservation	IV, X	Yes	Karauli	Rajasthan	Mar'21-Mar'22	75,28,750	75,28,750	NA	Through implementing agency	Pehel Foundation	CSR00001686
6	Upgrading Primary Health Care Centres	I	Yes	Bengaluru	Karnataka	Mar'21-Mar'22	1,07,27,200	1,07,27,200	NA	Through implementing agency	Pehel Foundation	CSR00001686

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (In ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				District	State						Name	CSR Registration number
7	Promoting research and innovation in Health Care	I, IX	Yes	New Delhi	Delhi	Apr'21-Mar'24	3,60,40,000	3,60,40,000	NA	Through implementing agency	Pehel Foundation	CSR00001686
8	To upgrade biochemistry lab for Government Hospital	I	Yes	Pune	Maharashtra	Mar'21-Mar'23	5,76,28,375	5,76,28,375	NA	Through implementing agency	Pehel Foundation	CSR00001686
9	To train women drivers to ensure their livelihood generation	II, III	Yes	Indore and Jaipur	Madhya Pradesh and Rajasthan	Mar'21-Mar'22	48,00,000	48,00,000	NA	Through implementing agency	Pehel Foundation	CSR00001686
10	To provide holistic support to three women athletes	III, VII	Yes		Pan India	Mar'21-Mar'22	17,27,250	17,27,250	NA	Through implementing agency	Pehel Foundation	CSR00001686
11	Supporting research and innovation in construction sector	IX	Yes	Roorkee	Uttarakhand	Apr'21-Mar'24	86,40,000	86,40,000	NA	Through implementing agency	Pehel Foundation	CSR00001686
Total							14,41,19,625	14,41,19,625				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent in the current financial year (In ₹)	Mode of implementation	Mode of Implementation -Through Implementing Agency	
				District	State			Name	CSR Registration Number
1	Supporting 10-day care centres for children of Construction Workers	II, III	Yes		Pan India	1,13,86,631	Through implementing agency	Mobile Creches	CSR00002639
2	Supporting 5-day care centres for children of Construction Workers	II, III	Yes	Pune	Maharashtra	43,24,761	Through implementing agency	Tara Mobile Creches	CSR00006166
3	Supporting 4-day care centres for children of Construction Workers	II, III	Yes	Mumbai	Maharashtra	25,48,798	Through implementing agency	Mumbai Mobile Creches	CSR00001732
4	Supporting 10-day care centres for children of Construction Workers	II, III	Yes	Hyderabad	Telangana	29,025	Through implementing agency	Plan India	CSR00001490
5	Supporting 1 day care centres for children of Construction Workers	II, III	Yes	Faridabad	Haryana	5,13,600	Through implementing agency	Savera Society for Social Welfare	Awaited
6	Skill development of 5,000 construction workers	II	Yes		Pan India	2,20,89,100	Through implementing agency	CREDAI CSR Foundation	CSR00002313
7	Skill development of 1,000 construction workers	II	Yes		Pan India	71,74,800	Through implementing agency	NAREDCO	CSR00005498
8	Supporting operational cost of running two formal schools	II	Yes	New Delhi	Delhi	76,92,256	Through implementing agency	Vidya - Integrated Society For Youth and Adults	CSR00001204
9	Badminton training program	VII	Yes	Bangalore and Chennai	Karnataka and Tamil Nadu	1,40,374	Through implementing agency	SRF Foundation	CSR00000733
10	Donating mobile health unit	I	Yes	New Delhi and Gurgaon	Delhi and Haryana	20,52,889	Through implementing agency	Adharshila Trust	CSR00008054
11	To support operational cost of running an old age home	II	Yes	New Delhi	Delhi	19,02,204	Through implementing agency	Ayudham Society	CSR00004652
12	To support cancer patients	I	Yes	New Delhi	Delhi	1,00,000	Through implementing agency	Pehel Foundation	CSR00001686

Sl. No.	Name of the Project	Item form the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent in the current financial year (In ₹)	Mode of implementation	Mode of Implementation -Through Implementing Agency	
				District	State			Name	CSR Registration Number
13	To support scientific research to combat Covid-19	IX	Yes	New Delhi	Delhi	26,70,800	Through implementing agency	IIT Delhi	Not Applicable
14	To upgrade infrastructure in Covid Hospital	I	Yes	Mumbai	Maharashtra	50,00,000	Through implementing agency	United Ways	CSR00000324
15	Environment conservation	IV	Yes	Faridabad	Haryana	2,47,795	Directly		Not Applicable
16	PM Relief	VIII	Yes		Pan India	28,57,178	Through implementing agency	Pehel Foundation	CSR00001686
17	PM Relief	VIII	Yes		Pan India	5,18,164	Directly		Not Applicable
18	Programme Strategy, Design and Due Diligence		Yes		Pan India	4,72,000	Through implementing agency	Sattva Consultancy	
Total						7,17,20,375			

(d) Amount spent in administrative overheads

₹1.14 crores

(e) Amount spent on impact assessment, if applicable

Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹22.72 crores

(g) Excess amount for set off, if any

Sl. No	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹22.72 crores
(ii)	Total amount spent for the Financial Year	₹22.72 crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of unspent CSR amount for the preceding three Financial Year(s) – Not applicable

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (In ₹)	Amount spent in the reporting financial year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in the succeeding financial years. (In ₹)
				Name of the Fund	Amount (In ₹)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s) – Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

S. No.	(A)	(B)	(C)	(D)
	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of capital asset(s) created or acquired (including complete address and location of the capital asset)
1	September 2020	₹50,00,000	Government of Maharashtra	Project –CT Scan equipment was procured for Government of Maharashtra to be placed in MMRD Covid Facility Address- MMRD Covid Facility, Mumbai
2	December 2020	₹20,52,889	Adharshila Trust	Project- Mobile Health Unit was donated to Adharshila Trust to provide preventive and curative health services to migrant workers and their families Address- Ami Chand Khand, Giri Nagar, Kalka Ji, Near Govindpuri Metro Station, New Delhi
3	Project is still in the implementation stage, amount transferred to Pehel foundation on 30.03.2021	₹1,07,27,200	Karuna Trust	Project – To upgrade the infrastructure and equipment for three public health care centres in Bangalore urban areas Address- 686, 16th Main Road, T-Block, Jaya Nagar, Bangalore
4	Project is still in the implementation stage, amount transferred to Pehel foundation on 30.03.2021	₹3,60,40,000	All India Institute of Medical Sciences, New Delhi	Project- To upgrade the equipment in Neurosurgery Education and Training School Address- Sri Aurobindo Marg, Ansari Nagar, Ansari Nagar East, New Delhi
5	Project is still in the implementation stage, amount transferred to Pehel foundation on 30.03.2021	₹2,00,20,000	Sassoon General Hospital, Pune	Project – To upgrade the equipment in Blood Laboratory of Sassoon General Hospital Address-Station Rd. Agarkar Nagar, Pune, Maharashtra

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

Not applicable

Sd/-
Managing Director & CEO

Sd/-
Chairman CSR Committee

ANNEXURE TO DIRECTORS' REPORT - 3

FORM NO. MGT- 9

Extract of Annual Return

as on the financial year ended on March 31, 2021

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

1. REGISTRATION AND OTHER DETAILS:

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

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	PHFL Home Loans and Services Limited Flat No. 207 & 209, 2nd Floor, Antriksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110001	U67200DL2017PLC322468	Subsidiary Company	100%	2(87)
2.	PEHEL Foundation Flat No. 917, 9th Floor, Antriksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110001	U85320DL2019NPL356152	Subsidiary Company	100%	2(87)
3.	Punjab National Bank Plot No. 4, Sector -10, Dwarka New Delhi -110075	-	Promoter Company	32.64%	-

4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of shareholder	No. of shares held at the beginning of the year (Demat)		No. of shares held at the end of the year (Demat)		% change during the year
	Number	% age of shares	Number	% age of shares	
A. Promoters					
1) Indian					
a) Individual/ HUF	-	-	-	-	-
b) Central Govt	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-
d) Bodies Corp.					
e) Banks/FI	5,49,14,840	32.65	5,49,14,840	32.64	(0.01)*
f) Any Other	-	-	-	-	-
Sub-total (A)(1):-	5,49,14,840	32.65	5,49,14,840	32.64	(0.01)*

Category of shareholder	No. of shares held at the beginning of the year (Demat)		No. of shares held at the end of the year (Demat)		% change during the year
	Number	% age of shares	Number	% age of shares	
2) Foreign					
a) NRIs - Individuals	-	-	-	-	-
b) Other Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks / FI	-	-	-	-	-
e) Any Other....	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-
Total shareholding of promoter (A)=(A)(1)+(A)(2)	5,49,14,840	32.65	5,49,14,840	32.64	(0.01)
B. Public shareholding					
1. Institutions					
a) Mutual Funds	63,64,121	3.78	34,95,799	2.08	(1.70)
b) Banks/FI	14,80,456	0.88	3,00,005	0.18	(0.70)
c) Central Govt	1,060	0.00	1,060	0.00	0.00
d) State Govt(s)	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-
f) Insurance Companies	25,13,199	1.49	14,38,012	0.85	(0.64)
g) FII's/ Foreign Portfolio Investors	3,66,58,764	21.80	4,12,39,952	24.51	2.71
h) Foreign Venture Capital Funds	-	-	-	-	-
i) Others (Alternate Investment Funds)	3,14,277	0.19	3,31,957	0.20	0.01
Sub total (B) (1):-	4,73,31,877	28.14	4,68,06,785	27.82	(0.32)
2. Non-Institutions					
a) Bodies Corp.					
i) Indian	12,11,477	0.72	8,39,072	0.50	(0.22)
ii) Overseas	-	-	-	-	-
b) Individuals					
i) Individual shareholders holding nominal share capital upto ₹1 lakhs (17 shares in physical)	67,38,173	4.01	81,17,356	4.82	0.81
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakhs	15,77,014	0.94	15,17,082	0.90	(0.04)
c) Others (specify)					
• Trusts	7,87,573	0.47	7,87,478	0.47	(0.00)
• Foreign Nationals	0	0.00	0	0.00	0.00
• Hindu Undivided Family	4,00,432	0.24	4,10,935	0.24	0.00
• Foreign Companies	5,41,92,300	32.22	5,41,92,300	32.21	(0.01)
• Non Resident Indians (Non Repat)	1,02,145	0.06	2,26,761	0.13	0.07
• Non-Resident Indians (Repat)	2,83,619	0.17	2,94,512	0.18	0.01
• Clearing Member	3,57,904	0.21	1,56,358	0.09	(0.12)
• NBFCs registered with RBI	454	0.00	4,644	0.00	0.00
• Trust Employee	2,89,100	0.17	-	-	(0.17)
Sub-total(B) (2): -	6,59,40,191	39.21	6,65,46,498	39.54	0.34
Total Public Shareholding (B) = (B)(1) + (B)(2)	11,32,72,068	67.35	11,33,53,283	67.36	0.01
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-
Grand Total (A+B+C)	16,81,86,908	100	16,82,68,123	100	-

*The percentage of shareholding of Punjab National Bank has reduced pursuant to allotment of 81,215 equity shares under Employee Stock Option Scheme.

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (Demat)			No. of shares held at the end of the year (Demat)			% change in holding during the year
		No. of shares	% of total shares of the Co.	% of total shares encumbered/pledged to total shares	No. of shares	% of total shares of the Co.	% of total shares encumbered/pledged	
1	Punjab National Bank	5,49,14,840	32.65	-	5,49,14,840	32.64	-	(0.01)*

* The percentage of shareholding of Punjab National Bank has reduced pursuant to allotment of 81,215 equity shares under Employee Stock Option Scheme.

iii. Change in Promoters' shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	At the beginning of the year	5,49,14,840	32.65		
2.	At the end of the year			5,49,14,840	32.64*

* The percentage of shareholding of Punjab National Bank has reduced pursuant to allotment of 81,215 equity shares under Employee Stock Option Scheme.

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

Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 01, 2020 to March 31, 2021)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
1.	Quality Investment Holdings	5,41,92,300	32.22	-	-	-		
	Closing Balance						5,41,92,300	32.21
2.	Investment Opportunities V Pte Limited	0	0.00					
				17.04.2020	13,69,008	Purchase	13,69,008	0.81
				24.04.2020	11,80,912	Purchase	25,49,920	1.52
				01.05.2020	1,69,495	Purchase	27,19,415	1.62
				08.05.2020	15,00,000	Purchase	42,19,415	2.51
				15.05.2020	22,66,758	Purchase	64,86,173	3.86
				22.05.2020	3,88,835	Purchase	68,75,008	4.09
				29.05.2020	1,30,000	Purchase	70,05,008	4.17
				05.06.2020	9,57,087	Purchase	79,62,095	4.73
				12.06.2020	14,25,000	Purchase	93,87,095	5.58
				19.06.2020	9,70,774	Purchase	1,03,57,869	6.16
				26.06.2020	14,90,000	Purchase	1,18,47,869	7.04
				18.09.2020	3,78,908	Purchase	1,22,26,777	7.27
				25.09.2020	10,37,924	Purchase	1,32,64,701	7.89
				30.09.2020	5,09,059	Purchase	1,37,73,760	8.19
				09.10.2020	5,96,882	Purchase	1,43,70,642	8.54
				16.10.2020	4,01,510	Purchase	1,47,72,152	8.78
				23.10.2020	1,85,490	Purchase	1,49,57,642	8.89
				30.10.2020	20,000	Purchase	1,49,77,642	8.91
				06.11.2020	4,08,447	Purchase	1,53,86,089	9.15
				13.11.2020	1,78,767	Purchase	1,55,64,856	9.25
				20.11.2020	53,100	Purchase	1,56,17,956	9.29
				27.11.2020	10,70,000	Purchase	1,66,87,956	9.92
	Closing Balance						1,66,87,956	9.92
3.	General Atlantic Singapore Fund FII PTE Ltd.	1,65,93,240	9.87				1,65,93,240	9.87
	Closing Balance						1,65,93,240	9.86
4.	Franklin India Tax Shield	49,00,788	2.91				49,00,788	2.91
				24.04.2020	(6,58,029)	Sale	42,42,759	2.52
				12.06.2020	(13,50,619)	Sale	28,92,140	1.72
				02.10.2020	(2,00,000)	Sale	26,92,140	1.60
	Closing Balance						26,92,140	1.60

Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 01, 2020 to March 31, 2021)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
5.	Malabar India Fund Limited	11,54,554	0.69				11,54,554	0.69
	Closing Balance						11,54,554	0.69
6.	Malabar Select Fund	10,33,425	0.61				10,33,425	0.61
				03.04.2020	(40,000)	Sale	9,93,425	0.59
				07.08.2020	59,236	Purchase	10,52,661	0.63
				14.08.2020	13,177	Purchase	10,65,838	0.63
				21.08.2020	8,728	Purchase	10,74,566	0.64
	Closing Balance						10,74,566	0.64
7.	United India Insurance Company Limited	8,97,502	0.53				8,97,502	0.53
	Closing Balance						8,97,502	0.53
8.	Nippon Life India Trustee Ltd A/c Nippon India Banking Fund	10,88,601	0.65				10,88,601	0.65
				03.04.2020	312	Purchase	10,88,913	0.65
				10.04.2020	504	Purchase	10,89,417	0.65
				17.04.2020	12	Purchase	10,89,429	0.65
				24.04.2020	28	Purchase	10,89,457	0.65
				01.05.2020	(392)	Sale	10,89,065	0.65
				08.05.2020	14	Purchase	10,89,079	0.65
				15.05.2020	1,763	Purchase	10,90,842	0.65
				22.05.2020	238	Purchase	10,91,080	0.65
				29.05.2020	112	Purchase	10,91,192	0.65
				05.06.2020	(252)	Sale	10,90,940	0.65
				12.06.2020	28	Purchase	10,90,968	0.65
				19.06.2020	(126)	Sale	10,90,842	0.65
				26.06.2020	(1,00,588)	Sale	9,90,254	0.59
				30.06.2020	(89)	Sale	9,90,165	0.59
				03.07.2020	77	Purchase	9,90,242	0.59
				10.07.2020	(1,546)	Sale	9,88,696	0.59
				17.07.2020	(540)	Sale	9,88,156	0.59
				24.07.2020	(9)	Sale	9,88,147	0.59
				31.07.2020	(360)	Sale	9,87,787	0.59
				07.08.2020	(51,309)	Sale	9,36,478	0.56
				14.08.2020	(15)	Sale	9,36,463	0.56
				21.08.2020	(1,031)	Sale	9,35,432	0.56
				28.08.2020	(240)	Sale	9,35,192	0.56
				04.09.2020	369	Purchase	9,35,561	0.56
				11.09.2020	(269)	Sale	9,35,292	0.56
				18.09.2020	496	Purchase	9,35,788	0.56
				25.09.2020	(10,576)	Sale	9,25,212	0.55
				23.10.2020	(45,563)	Sale	8,79,649	0.52
				30.10.2020	27	Purchase	8,79,676	0.52
				06.11.2020	125	Purchase	8,79,801	0.52
				13.11.2020	(379)	Sale	8,79,422	0.52
				20.11.2020	105	Purchase	8,79,527	0.52
				27.11.2020	292	Purchase	8,79,819	0.52
				04.12.2020	196	Purchase	8,80,015	0.52
				11.12.2020	1,599	Purchase	8,81,614	0.52
				18.12.2020	291	Purchase	8,81,905	0.52
				25.12.2020	101	Purchase	8,82,006	0.52
				31.12.2020	340	Purchase	8,82,346	0.52
				01.01.2021	(19)	Sale	8,82,327	0.52
				08.01.2021	8,058	Purchase	8,90,385	0.53
				15.01.2021	1,531	Purchase	8,91,916	0.53
				22.01.2021	1,058	Purchase	8,92,974	0.53
				29.01.2021	315	Purchase	8,93,289	0.53
				05.02.2021	355	Purchase	8,93,644	0.53



Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 01, 2020 to March 31, 2021)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
				12.02.2021	(128)	Sale	8,93,516	0.53
				19.02.2021	22	Purchase	8,93,538	0.53
				26.02.2021	(99,235)	Sale	7,94,303	0.47
				05.03.2021	(4,337)	Sale	7,89,966	0.47
				12.03.2021	(265)	Sale	7,89,701	0.47
				19.03.2021	534	Purchase	7,90,235	0.47
				26.03.2021	816	Purchase	7,91,051	0.47
				31.03.2021	77	Purchase	7,91,128	0.47
	Closing Balance						7,91,128	0.47
9.	Edelweiss Alternative Investment Opportunities Trust - Edelweiss Crossover Opportunities Fund	7,85,563	0.47				7,85,563	0.47
	Closing Balance						7,85,563	0.47
10.	Vanguard Total International Stock Index Fund	6,47,823	0.39				6,47,823	0.39
				04.09.2020	(26,929)	Sale	6,20,894	0.37
				30.09.2020	98,599	Purchase	7,19,493	0.43
				16.10.2020	(41,996)	Sale	6,77,497	0.40
				04.12.2020	(39,302)	Sale	6,38,195	0.38
				15.01.2021	(38,904)	Sale	5,99,291	0.36
				12.02.2021	10,675	Purchase	6,09,966	0.36
				19.02.2021	21,280	Purchase	6,31,246	0.38
				26.02.2021	3,613	Purchase	6,34,859	0.38
				05.03.2021	(70,744)	Sale	5,64,115	0.34
				26.03.2021	79,391	Purchase	6,43,506	0.38
				31.03.2021	96,996	Purchase	7,40,502	0.44
	Closing Balance						7,40,502	0.44
11.	Varde Holdings Pte Ltd.	39,26,668	2.33				39,26,668	2.33
				08.05.2020	(85,482)	Sale	38,41,186	2.28
				15.05.2020	(1,12,840)	Sale	37,28,346	2.22
				22.05.2020	(8,687)	Sale	37,19,659	2.21
				29.05.2020	(42,003)	Sale	36,77,656	2.19
				05.06.2020	(9,93,577)	Sale	26,84,079	1.60
				12.06.2020	(4,22,075)	Sale	22,62,004	1.34
				19.06.2020	(3,12,858)	Sale	19,49,146	1.16
				26.06.2020	(10,72,549)	Sale	8,76,597	0.52
				30.06.2020	(1,45,881)	Sale	7,30,716	0.43
				03.07.2020	(1,24,628)	Sale	6,06,088	0.36
				10.07.2020	(4,09,631)	Sale	1,96,457	0.12
				17.07.2020	(1,43,824)	Sale	52,633	0.03
				24.07.2020	(52,633)	Sale	-	0.00
	Closing Balance						-	0.00
12.	Auburn Limited	16,61,344	0.99				16,61,344	0.99
				01.05.2020	(50,000)	Sale	16,11,344	0.99
				08.05.2020	(16,11,344)	Sale	-	0.00
	Closing Balance						-	0.00
13.	Fidelity Funds – Asian Smaller Companies Pool	12,64,213	0.75				12,64,213	0.75
				10.04.2020	(2,73,938)	Sale	9,90,275	0.59
				17.04.2020	(9,90,275)	Sale	-	0.00
	Closing Balance						-	0.00
14.	Franklin Templeton Investment Funds	11,47,256	0.68				11,47,256	0.68
				01.05.2020	(4,96,200)	Sale	6,51,056	0.39
				08.05.2020	(6,51,056)	Sale	-	0.00
	Closing Balance						-	0.00

Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 01, 2020 to March 31, 2021)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
15.	HDFC Life Insurance Company Limited	11,25,000	0.67				11,25,000	0.67
				18.09.2020	(1,25,000)	Sale	10,00,000	0.59
				25.09.2020	(10,00,000)	Sale	-	0.00
	Closing Balance						-	0.00

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date wise Increase / decrease in shareholding			Cumulative shareholding during the year (April 01, 2020 to March 31, 2021)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
1.	Hardayal Prasad, Managing Director & CEO	-	-	-	-	-	-	-
	Closing Balance						-	-
2.	Sanjaya Gupta, Managing Director*	1,78,861	0.11	-	-	-	-	-
	Closing Balance						-	-
3.	Neeraj Vyas, Interim Managing Director & CEO*	-	-	-	-	-	-	-
	Closing Balance						-	-
4.	Kapish Jain, Chief Financial Officer	19	0.00	-	-	-	19	0.00
	Closing Balance						19	0.00
5.	Sanjay Jain, Company Secretary & Head Compliance	-	-	-	-	-	-	-
	Closing Balance						-	-

*Ceased/ Resigned during the year.

5. INDEBTEDNESS

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

	Secured loans excluding deposits	Unsecured loans	Deposits (including inter corporate deposits)	Total Indebtedness
(₹ in crores)				
Indebtedness at the beginning of the financial year				
1. Principal amount	49,891.35	1,854.70	16,244.38	67,990.43
2. Interest due but not paid				
3. Interest accrued but not due	473.92	1.10	224.51	699.53
Total	50365.27	1,855.80	16,468.89	68,689.96
Change in indebtedness during the financial year	(9,784.88)	709.47	659.37	(8,416.04)
At the end of the financial year				
1. Principal amount	40,250.00	2,564.00	16,870.94	59,684.94
2. Interest due but not paid				
3. Interest accrued but not due	330.39	1.27	257.32	588.98
Total	40,580.39	2,565.27	17,128.26	60,273.92

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of remuneration	Name of the Managing Director			Total amount (₹ in lakhs)
		Mr. Sanjaya Gupta*	Mr. Neeraj Vyas*	Mr. Hardayal Prasad**	
1	Gross Salary				
a)	Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	50.63	65.23	115.94	231.80
b)	Value of perquisites under section 17(2) of the Income tax Act, 1961	0.64	-	2.20	2.84
c)	Profits in lieu of salary under section 17(3) of the Income tax Act, 1961				-
2	Stock Option				
3	Sweat Equity				-
4	Commission as % of profit				-
5	Performance Bonus				-
	Total (A)	51.27	65.23	118.14	234.64
	Ceiling as per Act				5,933.60

*Ceased/ Resigned during the year.

** With effect from August 10, 2020.

B. Remuneration to other Directors

(₹ in lakhs)

(I)	Independent Directors								
	Mr. R Chandrasekaran	Name of Directors				Mrs. Shubha-lakshmi Panse	Mr. T M Basin	Mr. Sudar-shan Sen	Total Amount (₹ in lakhs)
Mr. Shital Kumar Jain		Dr Gourav Vallabh	Mr. Nilesh Vikamsey	Mr. Ashwani Kumar Gupta					
Fee for attending Board/ Committee Meetings	8.70	3.70	7.50	7.80	10.50	3.60	5.50	1.90	49.20
Commission	10.00	10.00	10.00	10.00	10.00	10.00	-	-	60.00
Others	-	-	-	-	-	-	-	-	-
Total	18.70	13.70	17.50	17.80	20.50	13.60	5.50	1.90	109.20

II) Other Non-executive Directors

	Mr Ch SS Mallikarjuna Rao*	Mr. Neeraj Vyas	Total Amount (₹ in lakhs)
Fee for attending Board/ Committee Meetings	4.80	6.50	11.30
Commission		10.00	10.00
Others		-	-
Total (ii)	4.80	16.50	21.30
Total (B)=(i)+(ii)			130.50
Total Managerial Remuneration			365.14
Overall Ceiling as per Act			13,053.92

*Paid to PNB for its nominee Director.

C. Remuneration to Key Managerial Personnel other than MD

(₹ in lakhs)

Sr. No.	Particulars of remuneration	Key Managerial Personnel		
		Mr. Sanjay Jain, Company Secretary	Mr. Kapish Jain, CFO	Total
1	Gross Salary			
	a) Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	49.55	86.88	136.43
	b) Value of perquisites under section 17(2) of the Income tax Act, 1961	0.66	0.63	1.29
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Performance Bonus	12.34	33.63	45.97
	Total	62.55	121.14	183.69

7. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES

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

Note: The Company has paid a penalty of ₹1.90 crores plus applicable GST to National Housing Bank during FY 2020-21. The details are disclosed in the Notes to Accounts.

FORM MR -3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
(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, 2021 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, 2021 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (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;
 - (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 (including erstwhile Regulation);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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, 2009; and **Not applicable**

Chandrasekaran Associates
Company Secretaries

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation);
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) Housing Finance Companies (NHB) Directions, 2010 and all the Rules, Regulations, Circulars and Guidelines 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) RBI Commercial Paper Directions, 2017 effective from August 10, 2017 (as amended from time to time) w.r.t. issue of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India)

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:

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except delay in filing of forms / intimation in few cases with the Registrar of Companies / Stock Exchanges and further as mentioned below:

1. National Housing Bank (NHB) vide its letter no.(ND)/HFC/DOS/OUT-04089/2020 dated July 23, 2020, issued show cause notice in regard to the inspection of the Company, as per provisions of the National Bank Act, 1987 with reference to its position as on 31-03-2019 by levying penalty for non-compliances. Further, NHB vide its letter no. NHB (ND)/HFC/DOS/OUT-05905/2020 dated September 25, 2020 imposed a monetary penalty and directed the Company to credit the total penalty amount of ₹ 1,90,00,000 plus applicable GST of ₹ 34,20,000.
2. There is intermittent vacancy of Independent Woman Director on the Board of Directors of the Company due to resignation of Ms. Shubhalakshmi Panse w.ef. January 05, 2021 and there was no woman director on the board of the Company as on March 31, 2021 as required under 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Board through circulation resolution passed on May 29, 2021 appointed Ms. Gita Nayyar as an Additional Director (in the category of Independent Director) for a period of three years with effect from May 29, 2021 till May 28, 2024.

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 Women 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.

Chandrasekaran Associates

Company Secretaries

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 August 05, 2020 for issuance of Non – Convertible Debentures of face value aggregating up to ₹ 45,000 Crore (Rupees Forty Five Thousand Crore Only) to eligible investors.
2. During the period under review, the Company has allotted 16,900 Secured, Redeemable, Non – Convertible Debentures in the nature of promissory Notes ("Bonds") of face value of ₹ 10,00,000 per debenture fully paid on Private Placement basis.
3. The Company has obtained the approval of shareholders through postal ballot for approval of Restricted Stock Unit Scheme 2020, to issue, offer and allot, to eligible employees, Restricted Stock Units, exercisable into not more than 5,00,000 ('Five Lakh Only) Equity Shares of ₹ 10/- each, fully paid up, of the Company.
4. During the period under review, the Company has allotted 81,215 Equity Shares of Face Value of ₹ 10 each fully paid up under ESOP Scheme of the Company to its identified employees.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner

Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644C000432800

Date: June 08, 2021

Place: New Delhi

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) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. 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, 2021 pertaining to Financial Year 2020-21.

ANNEXURE TO DIRECTORS' REPORT - 4

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Company ensures exercising principals of corporate ethics, accountability and integrity. It has been maintaining high standards of corporate governance. It has transparently disclosed information to all the stakeholders. The Company has framed its policies as per applicable laws, regulatory guidelines and has been constantly reviewing and revising them as per business needs and changes in laws/regulations from time to time.

The Company has maintained long term relationship with its valued customers, viz. depositors, loan customers, business partners and its various other stakeholders financiers. The Company follows principles of transparency and adequacy in all the disclosures made through its public documents; Annual Reports, financial results etc. The Company practices ethical standards in all its dealings. Over the years, it 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, RBI Directions, NHB Directions/Regulations as are/were applicable on the Company.

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 the challenging times.

The Company's board has people with extensive experience in the financial sector, economics, mortgages, banking, international operations, fintech regulation, currency 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. In the opinion of the Board, the desired skills are available with the board members.

COMPOSITION

As on March 31, 2021, the Board consists of 12 members comprising six independent directors, five non-executive directors (including the Chairman) and one Managing Director & CEO. Mr. CH SS Mallikarjuna Rao (Chairman) and Mr. Rajneesh Karnatak are the nominee directors of Punjab National Bank. Mr. Sunil Kaul and Mr. Kapil Modi are the nominee Directors of Quality Investment Holdings. None of the other directors are related to each other. The independent directors meet the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the LODR and the provisions of Section 149(6) of the Companies Act, 2013. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

During the year, the following appointments/ cessations took place amongst the board members;

- a) Mr. Tejendra Mohan Bhasin was appointed as Independent Director with effect from April 02, 2020.
- b) Mr. Sanjaya Gupta was relieved of his responsibilities as Managing Director with effect from April 28, 2020 and completed his tenure as director on May 04, 2020.
- c) Mr. Neeraj Vyas was appointed Interim Managing Director & CEO from April 28, 2020 up to August 10, 2020. He was subsequently appointed Non-executive Director with effect from September 01, 2020.
- d) Mr. Shital Kumar Jain completed his second term as an Independent Director on August 09, 2020.
- e) Mr. Hardayal Prasad was appointed Managing Director & CEO with effect from August 10, 2020 for a term of three years.
- f) Mr. Sudarshan Sen was appointed as Independent Director with effect from October 01, 2020 for a term of five years.
- g) Mr. Kapil Modi was appointed Non-executive Nominee Director with effect from October 01, 2020.
- h) Mr. Chandrasekaran Ramakrishnan was re-appointed as Independent Director for a second term of five years with effect from October 07, 2020.
- i) Mrs Shubhalakshmi Panse, Independent Director resigned from the Board with effect from January 05, 2021*.
- j) Mr. Rajneesh Karnatak was appointed as Non-executive Nominee Director with effect from January 19, 2021.

*Mrs. Shubhalakshmi Panse was appointed Independent Director in CanFin Homes Limited on June 15, 2020. Both the

companies are competitors, and in view of the Corporate Governance Code of the Company, Mrs. Panse expressed her desire to continue on the Board of CanFin Homes Limited and therefore resigned from the board of PNB Housing.

After March 31, 2021, Dr Gaurav Vallabh completed his five years term as an Independent Director on April 21, 2021. Mr. Nilesh S Vikamsey was re-appointed as an independent director for a second term of five years with effect from April 22, 2021. The Board appointed Ms. Gita Nayyar as an independent director for a term of 3 years on May 29, 2021.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies (including PNB Housing Finance Limited) as per Regulation 26 of LODR is given hereunder:

Sr. No.	Directors	Category	DIN	Number of Directorships*	Name of Companies and Designations (As on June 19, 2021)	Number of Committees**		Skills/ Expertise
						Member	Chair-Person	
1.	Mr. CH S S Mallikarjuna Rao	Chairman and Non-Executive nominee director of Punjab National Bank	07667641	6	<ol style="list-style-type: none"> Punjab National Bank – Managing Director and CEO [L]*** PNB Housing Finance Limited [L] - Chairman PNB Investment Services Limited – Director [UL]**** The Oriental Insurance Company Limited - Director [UL] PNB Metlife India Insurance Company Limited - Nominee Director[UL] PNB Cards & Services Limited - Director [UL] 	3	1	He is MD & CEO of Punjab National Bank and has over 36 years of experience in banking, credit, operations, financial management, information technology, human resource, Recovery, Treasury, Risk Management, and Marketing & Publicity. He is on the Board of several eminent companies and Government bodies.
2.	Mr. Sunil Kaul	Non-Executive Nominee Director of Quality Investment Holdings	05102910	1	<ol style="list-style-type: none"> PNB Housing Finance Limited [L] SBI Cards and Payment Services Limited - Non-Executive Director [L]# 	3	0	He is highly qualified and 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.
3.	Mr. Nilesh S Vikamsey	Independent Director	00031213	8	<ol style="list-style-type: none"> Navneet Education Limited – Non-Executive Director [L] Thomas Cook (India) Limited – Independent Director [L] PNB Housing Finance Limited [L] - ID IIFL Finance Limited – Independent Director [L] IIFL Wealth Management Limited – Independent Director [L] Gati Limited – Independent Director [L] SOTC Travel Limited- Director [UL] Nippon Life India Trustee Limited- Director [UL] NSEIT Limited- Director [UL]* 	9	3	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.

* ceased to be a Director w.e.f. April 22, 2021

Mr. Sunil Kaul, ceased to be a Director w.e.f. June 18, 2021

Sr. No.	Directors	Category	DIN	Number of Directorships*	Name of Companies and Designations (As on June 19, 2021)	Number of Committees**		Skills/ Expertise
						Member	Chair-Person	
4.	Mr. R Chandrasekaran	Independent Director	00580842	6	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited [L] 2. Mindtree Limited- Independent Director [L] 3. L&T Technology Services Ltd. - Independent Director [L] 4. Aujas Cybersecurity Limited -Director [UL] 5. NSEIT Limited -Director [UL] 6. KSL Digital Ventures Limited-Director [UL] 	1	0	He is highly qualified IT expert and 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, and driving best-in-class delivery excellence at scale. Besides IT, he has extensive experience in operations, human resource management.
5.	Mr. Ashwani Kumar Gupta	Independent Director	00108678	3	<ol style="list-style-type: none"> 1. Dhampur Sugar Mills Limited - Independent Director [L] 2. PNB Housing Finance Limited [L] 3. Mani Capitals Limited-Director [UL] 	3	2	He is a qualified Chartered Accountant with over three decades of experience in corporate finance, treasury, capital management, mortgages and asset reconstruction. He is also experienced in private equity investing and real estate development.
6.	Dr Tejendra Mohan Bhasin	Independent Director	03091429	6	<ol style="list-style-type: none"> 1. PNB Gilts Limited-Independent Director[L] 2. SBI Cards and Payment Services Limited-Independent Director [L] 3. PNB Housing Finance Limited [L] 4. Ruchi Soya Industries Ltd. - Independent Director [L] 5. IDBI Intech Limited-Director [UL] 6. SBI Life Insurance Company Limited (L)# 	6	1	He is highly qualified and 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 41 years of experience in administration, banking and finance industry, risk management, credit management and operations.
7.	Mr. Neeraj Vyas	Non-Executive Director	07053788	1	PNB Housing Finance Limited [L]	0	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.

Appointed as Director w.e.f. April 12, 2021



Sr. No.	Directors	Category	DIN	Number of Directorships*	Name of Companies and Designations (As on June 19, 2021)	Number of Committees**		Skills/ Expertise
						Member	Chair-Person	
8.	Mr. Sudarshan Sen	Independent Director	03570051	3	<ol style="list-style-type: none"> PNB Housing Finance Limited [L] Federal Bank Ltd. - Independent Director [L] Cashpor Micro Credit-Director [UL] 	3	0	He has extensive experience in banking regulation, bank supervision, fintech regulation, human resources, information technology and currency management. He retired from the Reserve Bank of India as Executive Director in charge of regulation of banks and non-banking financial companies.
9.	Mr. Kapil Modi	Non-Executive Nominee Director of Quality Investment Holdings	07055408	2	<ol style="list-style-type: none"> PNB Housing Finance Limited [L] NXTRA Data Limited – Director [UL] 	1	0	He is highly qualified and 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.
10	Mr. Rajneesh Karnatak	Non-Executive nominee director of Punjab National Bank	08912491	1	PNB Housing Finance Limited [L]	0	0	He is an experienced banking professional who is holding a senior banking position. He has handled several assignments in the field and at central offices. He has experience in Credit Monitoring, Digital Banking and Corporate Credit.
11	Mr. Hardayal Prasad	Managing Director & CEO	08024303	2	<ol style="list-style-type: none"> PNB Housing Finance Limited [L] PHFL Home Loans and Services Limited-Director [UL] 	1	0	He is a senior professional with experience in banking, credit, risk management and information technology. 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 has held senior position in the SBI and leadership position in SBI Cards and Payment Services Limited.
12	Ms. Gita Nayyar	Independent Director	07128438	5	<ol style="list-style-type: none"> Oriental Hotels Limited [L] Transport Corporation of India Limited [UL] Taj Sats Air Catering Limited [UL] Glenmark Life Sciences Limited [L] PNB Housing Finance Limited [L] 	3	0	<p>She is a finance professional with over 30 years of global leadership experience with MNC banks/ VC funds and Corporates. She has extensive cross-functional expertise in Corporate Banking, Risk and Relationship Management, Investment Banking, Wealth Management and Fund Raising.</p> <p>She serves on Board of Governors of IIM, Udaipur. She is also on the advisory committee of National NGOs and a VC Fund.</p>

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

**Audit Committee and Stakeholders Relationship Committee.

L represents listed entities and *UL represents unlisted companies.

RESPONSIBILITIES

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

The Board regularly reviews Company's overall performance at regular interval. The Board has a formal schedule of matters reserved for its consideration and decision, apart from legally required matters. The Company has an appropriate directors' & officers' liability insurance policy, which provides indemnity in respect of liabilities incurred as a result of their office.

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. The Audit Committee consist entirely of independent directors.

All the committees of the Board function within the defined terms of reference in accordance with the Companies Act, 2013 and the LODR and as approved by the board. The independent directors are not liable to retire by rotation. A

During the year under review, the Board has met nine times. The meetings were held on April 28, 2020; June 13, 2020; June 27, 2020; July 23, 2020; August 06, 2020; August 19, 2020; October 28, 2020; January 19, 2021 and January 27, 2021. The attendance of the Directors at the Board meetings and the 32nd Annual General Meeting held on August 05, 2020 are listed below:

Sr. No.	Directors	Board Meetings	Attendance at the 32 nd AGM	Sitting fee paid* (₹)
1.	Mr. CH SS Mallikarjuna Rao	9	Yes	3,00,000/-
2.	Mr. Sunil Kaul	9	Yes	-
3.	Mr. R Chandrasekaran	9	Yes	4,50,000/-
4.	Mr. Nilesh S Vikamsey	9	Yes	4,50,000/-
5.	Mr. Ashwani Kumar Gupta	9	Yes	4,50,000/-
6.	Mr. Neeraj Vyas	8	Yes	2,00,000/-
7.	Dr Tejendra Mohan Bhasin	8	Yes	4,00,000/-
8.	Mr. Sudarshan Sen	2	NA	1,00,000/-
9.	Mr. Kapil Modi	3	NA	-
10.	Mr. Rajneesh Karnatak	1	NA	-
11.	Mr. Hardayal Prasad	4	NA	-
12.	Dr Gourav Vallabh	9	Yes	4,50,000/-
13.	Mrs. Shubhalakshmi Panse	6	Yes	3,00,000/-
14.	Mr. Shital Kumar Jain	5	Yes	2,50,000/-
15.	Mr Sanjaya Gupta	1	NA	-

* The sitting fee of Mr. CH S S Mallikarjuna Rao was paid to the Punjab National Bank.

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 at <https://www.pnbhousing.com/investor-relations/updates-events/>

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.

BOARD MEETINGS

Due to COVID-19 pandemic, the Company held 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 well in advance. The members of the Board can also recommend inclusion of any matter in the agenda for discussion. The senior management attends the Board meetings to provide additional inputs 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.

Leave of absence was granted to the concerned director 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, SEBI, LODR as amended and as per the business requirements. The minutes of every Committee meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee meetings are also placed before the Board. During the year, recommendations of various committees on policies and other matters were placed before the Board for its consideration and the Board after discussion has accepted recommendations of the Committees.

The various committees, their roles and their members are:

Audit Committee

The Audit Committee currently has three members; Mr. Nilesh S Vikamsey was appointed as the Chairman w.e.f. January 13, 2021. Dr Tejendra Mohan Bhasin and Mr. Sudarshan Sen were inducted as members w.e.f. January 13, 2021. Mrs. Shubhalakshmi Panse ceased to be the member of Audit Committee w.e.f. January 05, 2021 and Dr Gaurav Vallabh ceased to be the member of Audit Committee w.e.f. April 21, 2021.

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

- 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 the Company's process for monitoring compliance with laws and regulations and the code of conduct.
- It reviews quarterly, half yearly and yearly financial statements as prepared by the Company before submission to the Board.
- It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- As per Related Party Transactions Policy, it approves related party transactions.
- It reviews the functioning of whistle blower mechanism.
- It reviews the functioning of internal audit.
- It recommends the appointment of statutory and internal auditor.

The Audit Committee calls members of senior management as it considers appropriate to be present at the meetings of the Committee. The Statutory Auditors also attend the meeting of the Audit Committee. The Audit Committee discuss with the Statutory Auditors their findings on the working of the Company without the presence of management.

During the year, the Audit Committee had met five times on June 13, 2020; July 22, 2020; October 27, 2020; January 25, 2021 and January 27, 2021. 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	5	1,50,000/-
2.	Mr. Sudarshan Sen	0	-
3.	Dr Tejendra Mohan Bhasin	2	60,000/-
4.	Dr Gourav Vallabh	5	1,50,000/-
5.	Mrs. Shubhalakshmi Panse	2	1,00,000/-

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

Nomination and Remuneration Committee (NRC)

The NRC has four members; Mr. R Chandrasekaran (Chairman), Mr. CH S.S. Mallikarjuna Rao, Mr. Sunil Kaul, and Mr. Nilesh S Vikamsey. The Committee has been delegated powers, role and responsibilities as required under section 178 the Companies Act, 2013 and as per LODR 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 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 five times on April 28, 2020; July 22, 2020; August 19, 2020; September 23, 2020 and January 04, 2021. The details of attendance at the NRC meetings are as under:

Sr. No.	Directors	Number of meetings attended	Sitting fee (₹)
1.	Mr. R Chandrasekaran	5	1,50,000/-
2.	Mr. CH S.S Mallikarjuna Rao	5	1,20,000/-
3.	Mr. Sunil Kaul	5	-
4.	Mr. Nilesh S Vikamsey	5	1,50,000/-

* The sitting fee of Mr. CH S.S. Mallikarjuna Rao was paid to the Punjab National Bank.

Corporate Social Responsibility Committee (CSR)

The CSR Committee has four members; Dr Tejendra Mohan Bhasin (Chairman), Mr. R Chandrasekaran, Mr. Sudarshan Sen and Mr. Hardayal Prasad. Mr. Hardayal Prasad was inducted as Member w.e.f. August 10, 2020, Mr. Sudarshan Sen and Mr. T M Bhasin were inducted members w.e.f. January 19, 2021. Mr. Ashwani Kumar Gupta ceased to be a member w.e.f. January 19, 2021 and Mr. Neeraj Vyas ceased to be a member w.e.f. August 10, 2020.

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 has met four times on July 31, 2020; December 29, 2020; March 10, 2021 and March 20, 2021. 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	2	60,000/-
2.	Mr. R Chandrasekaran	4	1,20,000/-
3.	Mr. Sudarshan Sen	2	60,000/-
4.	Mr. Hardayal Prasad	2	-
5.	Mr. Neeraj Vyas	1	-
6.	Mr. Ashwani Kumar Gupta	2	60,000/-

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

Stakeholders Relationship Committee (SRC)

It has four directors; Mr. Ashwani Kumar Gupta (Chairman), Mr. Sunil Kaul, Mr. CH SS Mallikarjuna Rao and Mr. Hardayal Prasad. Mr. Hardayal Prasad was inducted member w.e.f. August 10, 2020. Mr. Neeraj Vyas ceased to be the member of Committee w.e.f. August 10, 2020 and Mrs. Shubhalakshmi Panse ceased to be the member of Committee w.e.f. January 05, 2021

The committee oversees the investors' grievances, investor relations, recommend to the Board raising of equity share capital and allotment of equity shares. During the year, the SRC Committee has met on June 12, 2020.

Sr. No.	Directors	Number of meetings attended	Sitting fee (₹)
1.	Mr. Ashwani Kumar Gupta	1	30000/-
2.	Mr. Sunil Kaul	1	-
3.	Mr. CH S.S. Mallikarjuna Rao	1	30000/-
4.	Mr. Hardayal Prasad	0	-
5.	Mrs. Shubhalakshmi Panse	0	-
6.	Mr. Neeraj Vyas	1	-

*The sitting fee of Mr. CH S.S. Mallikarjuna Rao was paid to the Punjab National Bank.

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

Risk Management Committee

The Risk Management Committee has five directors; Mr. Sunil Kaul, Mr. Neeraj Vyas, Mr. Rajneesh Karnatak and Mr. Hardayal Prasad. Dr Tejendra Mohan Bhasin was inducted on May 15, 2021. He is the Chairman of Risk Management Committee.

Mr. Hardayal Prasad was inducted as member w.e.f. August 10, 2020, Mr. Neeraj Vyas and Mr. Rajneesh Karnatak were inducted w.e.f. January 19, 2021. Mr. Shital Kumar Jain ceased to be the member w.e.f. August 09, 2020, Mr. CH S.S. Mallikarjuna Rao ceased to be the member w.e.f. January

19, 2021 and Dr. Gourav Vallabh ceased to be the member of Committee w.e.f. April 21, 2021.

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 met four times during the year on July 04, 2020; September 16, 2020, December 29, 2020 and February 15, 2021.

Sr. No.	Directors	Number of meetings attended	Sitting fee (₹)
1.	Dr Tejendra Mohan Bhasin	Inducted with effect from May 15, 2021	-
2.	Mr. Sunil Kaul	4	-
3.	Mr. Neeraj Vyas	2	30,000/-
4.	Mr. Rajneesh Karnatak	1	-
5.	Mr. Hardayal Prasad	2	-
6.	Mr. CH S.S. Mallikarjuna Rao	1	30,000/-
7.	Dr. Gourav Vallabh	4	1,20,000/-
8.	Mr. S.K. Jain	1	30,000/-

* The sitting fee of Mr. CH S.S. Mallikarjuna Rao was paid to the Punjab National Bank.

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

Credit Committee (CCB)

The Credit Committee has three directors; Mr. Neeraj Vyas (Chairman), Mr. Ashwani Kumar Gupta and Mr. Hardayal Prasad. Mr. Shital Kumar Jain ceased to be the member w.e.f. August 09, 2020 and Mr Sanjaya Gupta w.e.f. April 28, 2020.

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 delegated powers to sanction loans to the Committee.

During the year, the CCB had met sixteen times on April 01, 2020; May 30, 2020; July 10, 2020; September 10, 2020; September 14, 2020; September 28, 2020; September 30, 2020; October 13, 2020; November 09, 2020; November 24, 2020; December 05, 2020; December 29, 2020; January 22, 2021; February 10, 2021; February 17, 2021 and March 23, 2021. The details of attendance at the CCB meetings are as under:

Sr. No.	Directors	Number of meetings attended	Sitting fee (₹)
1.	Mr. Neeraj Vyas	16	4,20,000/-
2.	Mr. Ashwani Kumar Gupta	16	4,80,000/-
3.	Mr. Hardayal Prasad	13	-
4.	Mr. Shital Kumar Jain	3	90,000/-
5.	Mr. Sanjaya Gupta	1	-

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

IT Strategy Committee

The Committee has three director members; Mr. R Chandrasekaran (Chairman), Mr. Kapil Modi and Mr. Hardayal Prasad.

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 and benefits and IT budget. It monitors the method 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 December 30, 2020; February 26, 2021; March 24, 2021 and March 31, 2021. 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	4	1,20,000/-
2.	Mr. Kapil Modi	3	-
3.	Mr. Hardayal Prasad	4	-

The status of shareholders' complaints during FY 2020-21, 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	0	0

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

Key Managerial Persons

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. Hardayal Prasad, Managing Director & CEO
- Mr. Kapish Jain, Chief Financial Officer
- Mr. Sanjay Jain, Company Secretary and Head Compliance.

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

Name	Grant Date	Options Granted	Vesting Period	No. of options exercised
Hardayal Prasad	August 19, 2020	5,50,000	The ESOPs shall vest 10% in Year 1, 20% in Year 2, 30% in Year 3 and 40% in Year 4. On expiry of his existing tenure of 3 (three) years as Managing Director and CEO, in case his tenure is not extended by the Board for any reason other than "cause", the unvested options of year 4 (40%) would vest within a month of the date the Board/Company intimates in writing, its intention of not extending/renewing the term.	NA

Meeting of Independent Directors

The independent directors met on March 18, 2021 without the presence of non-independent directors, by audio video means. 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

Non-Executive Directors

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

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

Managing Director & CEO

On the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on August 06, 2020 has appointed Mr. Hardayal Prasad as the Managing Director and CEO of the Company for a period of three years, with effect from August 10, 2020.

Earlier, Mr. Sanjaya Gupta has ceased to be the Managing Director of the Company with effect from April 28, 2020. The Board at its meeting held on April 28, 2020 had appointed Mr. Neeraj Vyas as interim Managing Director and CEO of the Company. He resigned with effect from August 10, 2020.

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.

BOARD EVALUATION

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

The Board Evaluation Process is a questionnaire-based assessment, which has set broad parameters for evaluation of the Board, Committee of the Board and Board Members. The NRC takes feedback from the Directors through structured questionnaires. The Board carried out the evaluation of every Director's performance and its own performance as a whole, Statutory Board Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee and Risk Management Committee. The Board expressed its satisfaction on performance evaluation.

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

INVESTOR GRIEVANCES

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

During the year, 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 Loans and Services Limited" and "PEHEL Foundation". PHFL Home Loans was incorporated on August 22, 2017. The Company is a distribution arm for PNB Housing, offering doorstep services to the prospective customers.

Peheil 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.

Company has framed a policy for determining material subsidiaries and the same is placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/updates-events/>

PROCEEDS FROM PRIVATE PLACEMENT OF DEBT ISSUES

During the year, the Company has raised ₹1,690 crores of secured NCDs through private placements in 3 series. As specified in the respective offer documents, the funds were utilised for onward lending.

PROCEEDS FROM COMMERCIAL PAPER ISSUES

During the year, the Company raised funds through commercial papers from time to time to meet its short-term business needs. The Company raised ₹2,125 crores through commercial paper in FY 21.

TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

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

SHAREHOLDING OF DIRECTORS

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

PREVENTION OF INSIDER TRADING

The Board has adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Share Dealing Code for Prevention of Insider Trading in terms of SEBI (Prevention of Insider Trading) Regulations, 2015. The code has been amended in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations (Amendments), 2018 in FY 20-21.

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 at <https://www.pnbhousing.com/investor-relations/corporate-governance/>. 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 was reviewed and approved by the Board at its meeting held on October 28, 2020. The policy is placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

RISK MANAGEMENT

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

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

The credit risk management policy facilitates the Company to take appropriate risks to achieve its business objectives within the acceptable level of risk tolerance. The Credit Risk policy sets out the principles, standards and approach for credit risk management at the Company level and details a comprehensive framework to identify, assess, measure, monitor, control and report credit risks in a timely and efficient manner.

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

The objective of Market Risk Policy is to assist in 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.

The Company provided all the possible services to its customers in this difficult situation. In the opinion of the Board, none of the risks faced by the Company threaten its existence.

GENERAL PROCEDURE FOR POSTAL BALLOT

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders as per the permitted mode. The shareholders are provided with the facility to vote either by physical ballot or through e-voting;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer;
- The Scrutinizer submits his report to the Chairman/ authorized person of the Company, who based on the report announces the results; and
- e-voting facility is provided to the shareholders. Under this facility, the shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot. In view of COVID pandemic, MCA permitted companies to transact items through postal ballot as per the framework set out in the applicable circulars.

TOTAL FEES PAID TO STATUTORY AUDITORS BY COMPANY AND ITS SUBSIDIARY FOR ALL THE SERVICES DURING FY 2020-21

During the year, the statutory auditors were paid audit and other fees, including out of pocket expenses of ₹ 0.61 crores.

DISCLOSURES

Related party transactions

The policy on Related Party Transactions as approved by the Board is available on the 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 with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large. During the year, the Company has obtained credit facility viz. term loans, Overdraft, and entered into securitization of loans to 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 in the ordinary course of business. The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

Accounting Standards / Treatment

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

Management Discussion and Analysis Report

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

Annual General Meetings

The Annual General Meetings for the last 3 years were held on July 27, 2018 at 3.00 p.m., July 29, 2019 at 3.00 p.m, and August 05, 2020 at 3.00 p.m. The AGMs in 2018 and 2019 were held at India Habitat Centre, Lodhi Road, New Delhi. Due to pandemic, the AGM in 2020 was held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) as permitted by MCA circular.

Six special resolutions were passed at the previous three Annual General Meetings.

During the year, the Company had issued Postal Ballot Notice dated December 18, 2020 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 and 33/2020 issued by the Ministry of Corporate Affairs (“MCA”) dated April 08, 2020, April 13, 2020 and September 28, 2020 respectively, (“MCA Circulars”), for seeking the consent of shareholders for Approval of Restricted Stock Unit Scheme 2020 by way of Special Resolution. As per the Scrutinizer’s Report, the resolution was duly approved as embodied in the Postal Ballot Notice with the requisite majority as on the last date of e-voting and receipt of postal ballot forms i.e. on January 21, 2021. Details of voting pattern and scrutinizer’s report is placed on the website of the Company at https://www.pnbhousing.com/wp-content/uploads/2021/01/PNBHousing_Results-of-Postal-Ballot_22.01.2021.pdf

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

Dematerialisation of shares

All the shares of the Company are available for trading with National Securities Depository Ltd. (NSDL) and with Central Depository Services (India) Limited (CDSL). The ISIN allotted to Company’s equity shares is INE572E01012. As at March 31, 2021 except 17 shares, remaining equity shares of the Company are held in dematerialized form.

The Company has paid the listing fees for the year 2020-21 as per the SEBI Listing Regulations to the respective stock exchanges.

Investor Relations

The Company has 1,07,643 shareholders as on March 31, 2021. The main source of information for the shareholders is the Annual Report that includes, the Directors’ Report, the shareholders’ information and the audited financial results. The Annual Report has information on Report of Directors on Corporate Governance and Management Discussion and Analysis Report.

The Company has an evolved investor relations program. The Company 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 guidelines 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 leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 as amended and uploaded on Company’s website. 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, have taken a “Green Initiative” in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing regulations and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/ Depository participant. Accordingly, the annual report for FY 2020-21, 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/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 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 SEBI (LODR) Regulations, 2015 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 at <https://www.pnbhousing.com/investor-relations/financials/>. Company’s website has helped to keep the investors updated on material developments about the Company such as; Board profile, press release, financial results, annual reports, shareholding pattern, stock information, announcements, investor presentations etc.

The Company has conducted Earning’s Calls post announcement of quarterly/half-Yearly/ annual results, which were well attended by the analysts/ investors and the transcripts were uploaded on Company’s website at <https://www.pnbhousing.com/investor-relations/financials/>

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

In accordance with SEBI (LODR) Regulations, 2015 as amended, Mr. Hardayal Prasad, the Managing Director & CEO and Mr. Kapish Jain, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

NON-MANDATORY REQUIREMENTS

The Company has adopted the non-mandatory requirements of the Listing Regulations.

COMPLIANCE

The Company has complied with the mandatory requirements including requirements of corporate governance norms as specified in Regulation 17 to Regulation 27 and clauses (b) to clause (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of schedule V of the Listing Regulations, as applicable to the Company for financial year ended March

31, 2021. A certificate from M/s B R Maheshwari & Co, LLP, Statutory Auditors of the Company, to that effect is annexed to this Corporate Governance Report. The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

DETAILS OF UTILIZATION OF FUNDS

During the year under review, the Company has not raised any funds by way of Preferential Allotment/ Qualified Institutions Placement.

STRICTURES AND PENALTIES

During the year, no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets. The National Housing Bank has imposed a monetary penalty of ₹1,90,00,000 plus GST on the Company, details are disclosed in the notes to the financial statement.

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 08, 2021

EXTRACTS FROM POLICY ON RELATED PARTY TRANSACTIONS

1. Manner of Dealing with Related Party Transaction

1.1. Identification of Related Parties and Related Party Transactions:

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

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

1.2. Approval Mechanism for Related Party Transaction

1.2.1. Approval by the Audit Committee

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

Omnibus approval of Related Party Transactions:

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

Criteria for making the omnibus approval:

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

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

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

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

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

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

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

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

1.2.2. Approval by the Board

The Board shall approve the Related Party Transaction if:

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

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

1.2.3. Approval by the Members

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

S. No.	Nature of the Transaction	Threshold Limit
i.	Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the Company or ₹100 crores, whichever is lower.
ii.	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	Amounting to 10% or more of the net worth of the Company or ₹100 crores, whichever is lower
iii.	Leasing of property of any kind.	Amounting to 10% or more of the turnover or 10% or more of the net worth of the Company, or ₹100 crores, whichever is lower.
iv.	Availing or rendering of any services, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the Company or ₹50 crores, whichever is lower.

S. No.	Nature of the Transaction	Threshold Limit
v.	Appointment of any Related Party to any office or place of profit in the Company, its subsidiary company or associate company.	Monthly remuneration exceeding two and half lakhs rupees.
vi.	Underwriting for the subscription of any securities or derivatives thereof of the Company.	Remuneration for underwriting exceeding 1% of the net worth of the Company.

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

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

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

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

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

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

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

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

1.4. Related party transactions not previously approved

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

2. DISCLOSURES

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

3. NON-APPLICABILITY

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

a) Approval of Audit Committee

Approval of Audit Committee shall not be required for any transaction which have been entered into by the Company with its wholly owned subsidiary of whose accounts are consolidated with Company and placed before the Annual General Meeting for approval. Provided that approval of Audit Committee shall be required in case of Specified Transaction between the Company and its wholly owned subsidiary company.

b) Approval of Board

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

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

c) Approval of Members

Approval of members shall not be required in following cases:

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

ANNEXURE TO DIRECTORS' REPORT - 5

GENERAL SHAREHOLDER INFORMATION

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

33rd Annual General Meeting

Date: September 03, 2021

Time: 3:00 p.m.

Venue: Audio Video Means

Financial Year

The Company follows financial year starting from April 01 of every year and ending on March 31 of the following year.

Dividend Payment

The Board of Directors of Company have not declared any dividend for the financial year 2020-21.

Listing on Stock Exchange

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

Stock Exchange	National Stock Exchange (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

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

The Company confirms payment of Annual Listing fees of NSE and BSE for financial year 2021-22.

Stock Market Price Data

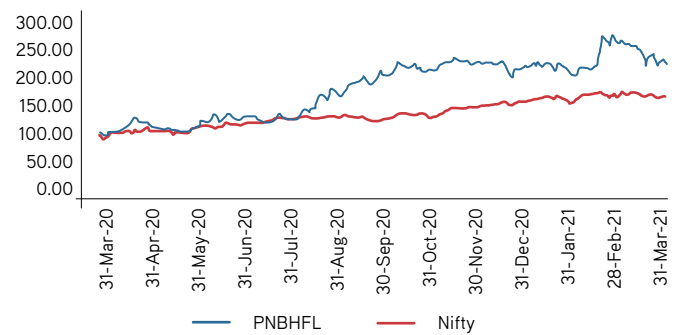
Month	NSE			BSE		
	High	Low	Total Equity Volume	High	Low	Total Equity Volume
Apr-20	217.00	160.75	1,49,52,557	217.85	161.00	14,28,053
May-20	190.15	165.10	75,13,923	195.80	165.25	12,47,359
Jun-20	234.40	177.25	1,76,38,727	234.50	175.90	21,24,771
Jul-20	227.00	194.00	1,20,35,778	229.90	193.20	11,36,697
Aug-20	309.50	207.85	3,02,41,103	309.35	206.00	23,04,447
Sep-20	350.95	275.00	1,80,06,865	350.80	272.05	15,11,731
Oct-20	380.50	332.00	82,53,562	380.00	332.55	5,36,467
Nov-20	395.30	342.50	44,95,033	395.20	343.95	10,41,253
Dec-20	389.85	317.55	49,54,025	389.60	315.85	4,19,569
Jan-21	385.20	325.05	57,66,238	384.90	325.25	4,99,641
Feb-21	475.00	332.85	2,16,54,887	475.00	333.00	11,04,905
Mar-21	449.30	357.10	63,29,372	474.00	357.70	5,70,858

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

PERFORMANCE OF THE COMPANY IN COMPARISON TO BROAD BASE INDICES

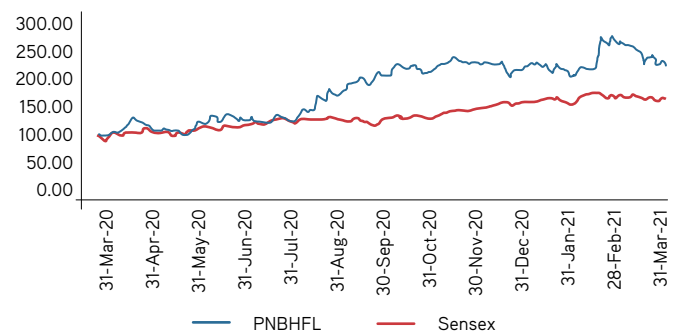
PNBHFL vs Nifty

(Chart base to 100)



PNBHFL vs Sensex

(Chart base to 100)



REGISTRAR AND TRANSFER AGENTS

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

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

SHARE TRANSFER SYSTEM

All the equity shares of the Company are held in Dematerialized form except 17 shares which are held in physical form. The shares are electronically traded in the Depository. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records.

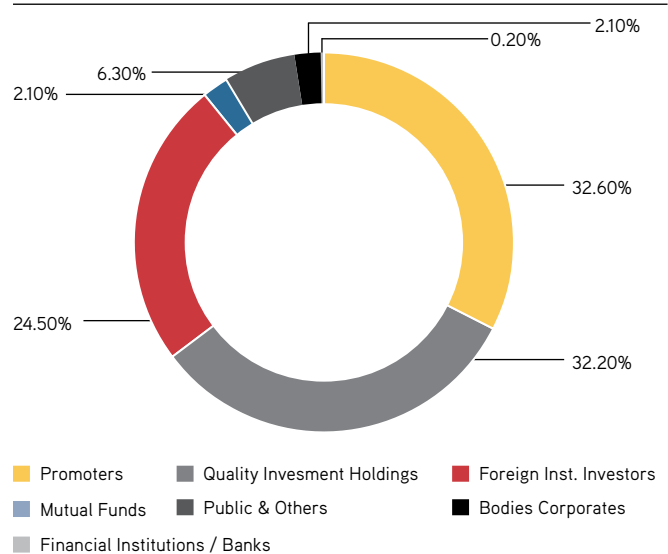
DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

Sr. Shareholding of No. Nominal Value (₹)	No. of Share Holders	% of Total	Share Amount (₹)	% of Total Share Amount
1 1 to 5000	104728	97.29	4,94,90,850.00	2.9412
2 5001 to 10000	1500	1.39	1,16,80,800.00	0.6942
3 10001 to 20000	678	0.63	1,00,92,610.00	0.5998
4 20001 to 30000	224	0.21	57,29,800.00	0.3405
5 30001 to 40000	115	0.11	41,08,510.00	0.2442
6 40001 to 50000	95	0.08	44,30,860.00	0.2633
7 50001 to 100000	133	0.12	96,32,030.00	0.5724
8 100001 to *****	170	0.16	1,58,75,15,770.00	94.3444
Total	107643	100.00	1,68,26,81,230.00	100.00

Face Value (₹): 10 NSDL Data as of: Mar 31, 2021

CDSL Data as of: Mar 31, 2021

Shareholding Pattern as on March 31, 2021



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

OUTSTANDING CONVERTIBLE INVESTMENTS

Date of Grant	Outstanding options as on April 01, 2020	Number of options granted during the year	Number of options vested during the year	No. of options exercised/ No. of shares arising as a result of exercise	Exercise Price (in ₹)	No. of options lapsed	Money realised by exercise of options (in ₹)	Outstanding options as on March 31, 2021
April 22, 2016 [ESOS 2016]	7,88,263	0	6,68,005	81,215	338	1,99,520	2,74,50,670	5,07,528
August 30, 2017 [ESOS 2016]	2,52,700	0	61,550	0	1,600.6	38,950	0	2,13,750
February 23, 2018 [ESOS 2016]	1,00,000	0	20,000	0	1,206.35	0	0	1,00,000
July 27, 2018 [ESOS 2016]	74,685	0	17,046	0	1,333.35	18,950	0	55,735
July 27, 2018 [ESOS 2018 A]	13,92,000	0	1,80,975	0	1,333.35	3,28,675	0	10,63,325
July 27, 2018 [ESOS 2018 B]	1,63,500	0	40,875	0	1,333.35	32,500	0	1,31,000
March 19, 2019 [ESOS 2018]	1,49,400	0	27,875	0	847.4	40,400	0	1,09,000
August 19, 2020 [ESOS 2016]	0	5,50,000	0	0	261.15	0	0	5,50,000
August 19, 2020 [ESOS 2018]	0	45,000	0	0	261.15	0	0	45,000
February 15, 2021 (RSU Grant)	0	2,75,676	0	0	10	12,090	0	2,63,586

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

The Company has not issued any ADRs/GDRs/Warrants that are outstanding for conversion as on March 31, 2021.

Further details of ESOP grant is available on the website of the Company at <https://www.pnbhousing.com/investor-relations/updates-events/>

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During FY 2020-21, 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 are never suspended from trading since its listing.

CREDIT RATING

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

Instrument	Rating Agency	Latest Ratings Assigned	Migration during the year	Rating as on April 01, 2020
Fixed Deposit	CRISIL Limited	FAA+ (Outlook-Negative)	FAA+ (Outlook-Negative)	FAA+ (Outlook-Stable)
	CARE Ratings Limited	AA (Outlook- Stable)	AA+ (Outlook-Negative) / AA (Outlook - Stable)	AA+ (Outlook-Stable)
Non-Convertible Debentures	CRISIL Limited	AA (Outlook- Negative)	AA (Outlook-Negative)	AA (Outlook-Stable)
	ICRA Limited	AA (Outlook- Negative)	AA (Outlook-Negative)	AA+ (Outlook-Negative)
	India Ratings Limited	AA (Outlook- Negative)	AA (Outlook-Negative)	AA (Outlook-Stable)
	CARE Ratings Limited	AA (Outlook- Stable)	AA+ (Outlook-Negative) / AA (Outlook - Stable)	AA+ (Outlook-Stable)
Commercial Papers	CRISIL Limited	A1+	No change	A1+
	CARE Ratings Limited	A1+	No change	A1+
Bank Loans	CRISIL Limited	AA (Outlook- Negative)	AA (Outlook-Negative)	AA (Outlook-Stable)
	CARE Ratings Limited	AA (Outlook- Stable)	AA+ (Outlook-Negative) / AA (Outlook - Stable)	AA+ (Outlook-Stable)

PLANT LOCATIONS

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

ADDRESS FOR CORRESPONDENCE

Registered and Head Office:

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

Phone Number: 1800 120 8800, 011-23555206

Email Address: loans@pnbhousing.com, investor.services@pnbhousing.com



SECRETARIAL COMPLIANCE REPORT OF PNB HOUSING FINANCE LIMITED
for the year Ended March 31, 2021

To,

The Board of Directors
PNB HOUSING FINANCE LIMITED
9th Floor, Antriksh Bhawan,
22 KG Marg, New Delhi - 110001

We, M/s. Chandrasekaran Associates, have examined:

- (a) All the documents and records made available to us and explanation provided by PNB Housing Finance Limited ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The Specific Regulations, whose provisions and the Circulars/ Guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the year under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable during the year under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Chandrasekaran Associates
Company Secretaries

- (i) 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;
- (j) 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;
- (k) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- (l) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company and based on the above examination, We hereby report that, during the Review Period:
- (a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	As per proviso to Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the listed entities shall have at least one independent woman director.	There is 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 March 31, 2021 as required under Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Board through circulation resolution passed on May 29, 2021 appointed Ms. Gita Nayyar as an Additional Director (in the category of Independent Director) for a period of three years with effect from May 29, 2021 till May 28, 2024.
2.	As per Regulation 57(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entity shall submit a certificate to the stock exchange within two days of the interest or principal or both becoming due that it is made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities.	The Company has made delay in submission of certificate stating that timely payment of interest or principal obligation or both in respect of the non – convertible debt securities i.e. Series – XLIV, Series LI, Series VII-Tier II and Series VIII-Tier II to National Stock Exchange of India Limited.	Delay filing as required under Regulation 57(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3.	As per Regulation 60 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.	The Company has made delay in intimation of record date in respect of Series XX to National Stock Exchange of India Limited.	Delay filing as required under Regulation 60 (2) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

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Company Secretaries

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

- (e) The Company 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 the terms of appointment of statutory auditor of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner

Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644C000432822

Date: June 08, 2021
Place: New Delhi

Notes: Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. 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, 2021 pertaining to Financial Year 2020-21.

Chandrasekaran Associates
Company Secretaries

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. Where ever 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

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644C000432800

Date: June 08, 2021

Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the following documents:

- i) Intimation of disqualification as required under Section 164 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014; and
- ii) Disclosure of concern or interests in other entities as required under Section 184(1) of the Act read with Rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014;

as submitted by the Directors of **PNB Housing Finance Limited** having CIN L65922DL1988PLC033856 and having registered office situated at 9th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi-110001 (hereinafter referred to as '**the Company**'), and other relevant registers, records, forms and returns as maintained by the Company and as produced before me for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

S. No	Name of Directors	DIN	Date of appointment in Company	Date of cessation, if any
1.	Mr. Seshabhadrasrinivasa Mallikarjunarao Chamarty	07667641	20.12.2019	-
2.	Mr. Sunil Kaul	05102910	05.03.2015	-
3.	Mr. Chandrasekaran Ramakrishnan*	00580842	07.10.2015	-
4.	Mr. Nilesh Shivji Vikamsey**	00031213	22.04.2016	-
5.	Mr. Ashwani Kumar Gupta	00108678	12.05.2017	-
6.	Mr. Tejendra Mohan Bhasin	03091429	02.04.2020	-
7.	Mr. Neeraj Madan Vyas***	07053788	01.09.2020	-
8.	Mr. Sudarshan Sen	03570051	01.10.2020	-
9.	Mr. Kapil Modi	07055408	01.10.2020	-
10.	Mr. Rajneesh Karnatak	08912491	19.01.2021	-
11.	Mr. Hardayal Prasad	08024303	10.08.2020	-
12.	Mr. Sanjaya Gupta	02939128	25.06.2010	04.05.2020
13.	Mr. Shital Kumar Jain	00047474	09.12.2009	09.08.2020
14.	Mrs. Shubhalakshmi Aamod Panse	02599310	07.07.2017	05.01.2021
15.	Dr. Gourav Vallabh	02972748	22.04.2016	21.04.2021

* Mr. Chandrasekaran Ramakrishnan was re-appointed as an Independent Director for a second term of five (5) years w.e.f. October 07, 2020.

** Mr. Nilesh Shivji Vikamsey was re-appointed as an Independent Director for a second term of five (5) years w.e.f. April 22, 2021.

*** Mr. Neeraj Madan Vyas ceased to be the Independent Director and was appointed as Interim Managing Director & CEO w.e.f. April 28, 2020.

Thereafter, he resigned from the office of Interim Managing Director & CEO w.e.f. August 10, 2020 and was appointed as a Non-Executive Non-Independent Director w.e.f. September 01, 2020.

Further, Ms. Gita Nayyar was appointed as an Independent Director w.e.f. May 29, 2021 for a term of three (3) years.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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**
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)

Membership No.: F7241

C. P. No.: 7622

UDIN: F007241C000639961

Date: June 17, 2021

Place: New Delhi

**CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Members

PNB Housing Finance Limited

CIN: L65922DL1988PLC033856

I have examined the compliance of regulations of Corporate Governance by **PNB Housing Finance Limited ("the Company")** for the year ended March 31, 2021, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the regulations of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **VLA & Associates**
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)

FCS No. F7241

C.P. No. 7622

UDIN: F007241C000640016

Date: June 17, 2021

Place: New Delhi

ANNEXURE-II

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 proviso 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)	<ul style="list-style-type: none"> • Assignment of loans • Principal paid on assignment of loans • Fixed deposit made/renewed • Fixed deposit mature • Bank deposits • Term loans • External commercial borrowings (The value of transactions are disclosed in notes to accounts)	April 2020 – March 2021	All the transactions are in ordinary course of business and at arms' length. The transactions with Punjab National Bank are in the nature of banking transactions with a large public sector bank.	The Company has taken omnibus approval of the Audit Committee	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 08, 2021

Place: New Delhi

Chairman