

September 17, 2019

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

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

Dear Sir/Madam,

Sub: National Housing Bank – imposition of INR 75,000 penalty on the Company

We would like to inform that the National Housing Bank (NHB) vide its letter no. NHB (ND)/HFC/DRS/Sup./ A-9933/2019 dated September 3, 2019 received on September 9, 2019 has advised the Company to pay a penalty of INR 75,000 plus GST for non-compliance with policy circular no. 58 and 75 (Disbursement of loans linked to stages of construction) for loans disbursed to 16 individuals in the financial year 2014-15 of approximately INR 10.30 crores.

These 16 individuals after the selection of the project approached PNB Housing for housing loan. The customers paid up to 20% of the total sale consideration for booking of a flat with the builder. The scheme, duly floated by the builder being “Cash Down Payment Plan” / “Construction Linked Plan”, under which the bookings were made.

The housing loan for the payment of the balance sale consideration was availed thereafter. The disbursements of the said housing loans were made on specific written instructions of such customers. The customers had themselves opted for the Cash Down Payment Plan with the developer despite having the option of Construction Linked Plan available to them.

It is also pertinent to note that the customers are presently defaulters of the loan EMI due to PNB Housing. We would also like to state that as on date, the project is nearly 90% complete.

The Company, though, has paid the penalty but reserves the right to take follow up actions in the matter under legal advice.

This is for information and records.

Thanking You,

For PNB Housing Finance Limited


Sanjay Jain
Company Secretary & Head Compliance