



Regd. Office: 9<sup>th</sup> Floor Antriksh Bhawan, 22 K G Marg, New Delhi-110001  
Phone: 011-23736857, e-mail: [investor.services@pnbhousing.com](mailto:investor.services@pnbhousing.com)  
Website: [www.pnbhousing.com](http://www.pnbhousing.com), CIN: L65922DL1988PLC033856

#### **ITEM NO. 7**

##### **Approval of material related party transactions with PNB Gilts Limited.**

The provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") requires Shareholders' approval by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

The Company enters into transactions of sale and purchase of securities and maintain SGL Accounts with PNB Gilts Limited. Those are disclosed in the notes forming part of the financial statements. The transactions are expected to exceed the prescribed threshold limits under the Listing Regulations so as to qualify as material related party transactions. Going forward, the Company intends to continue such transactions.

As per Regulation 23 of the Listing Regulations, approval of the Shareholders is sought for ratification of the arrangements/ transactions undertaken whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions.

Accordingly, the Company proposes to obtain approval of its Shareholders for giving further approval to the Board for carrying out and/or continuing transactions with PNB Gilts Limited.

These transactions amount to related party transactions falling within the purview of the Listing Regulations and all these transactions in aggregate, are material related party transactions under the Listing Regulations. The above transactions are in the ordinary course of business and on an arm's length basis. The Shareholders' approval is being sought from the conclusion of the 34<sup>th</sup> AGM till the conclusion of the 35<sup>th</sup> AGM of the Company.

The Board of Directors recommends this resolution for the approval of Shareholders as an Ordinary resolution. Mr T M Bhasin an Independent Director is also on the Board of PNB Gilts Limited as an Independent Director. No other Director or Key Managerial Personnel of the Company or their relatives, other than to the extent of their shareholding in the Company, if any, are in any way,

concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of this Notice. (Please refer annexure to the Notice for details).

#### **ITEM NO. 8**

##### **Approval of Restricted Stock Unit Scheme 2022 of the Company.**

With the objective of rewarding and motivating key employees for their long association, in recognition of their dedicated services to the Company and also to attract and retain the best talent in the competitive environment and encourage them to align individual performance with Company's objectives, the Company has been granting stock options. Equity based compensation is considered to be an integral part of the employee compensation across all sectors.

It is proposed that in order to ring fence critical employees of the Company for business continuity, a performance based Restricted Stock Unit (RSU) Scheme 2022 be introduced. The Company proposes to extend the grant of RSUs to its employees. The Board of Directors has authorized the Nomination and Remuneration Committee to implement a performance based Employee Restricted Stock Unit Scheme 2022 in the Company.

Performance based Restricted Stock Units fall under the category of share-based employee benefit. For the purpose of this scheme, RSU means an option granted to an employee, which gives the employee the right, but not an obligation, to purchase or subscribe at a future date, shares of the company at the face value (INR 10.00) of the Share subject to certain pre-defined vesting criteria based on both company and individual performance.

The details as required under Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"):

##### **a) Brief description of the Scheme:**

PNB Housing Employees Restricted Stock Units Scheme 2022 to strengthen the link between Company performance and compensation as well as to attract and retain the talented and key eligible employees (present and future) of the Company in the competitive environment and encourage them to align individual performance with Company's objectives. The Company views performance-based

employee restricted stock units as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. Restricted Stock Units granted under the Scheme shall vest on satisfaction of vesting conditions which are a combination of company and individual performance and can thereafter be exercised resulting in allotment of equity shares of the Company. The Nomination and Remuneration Committee ("Committee") shall administer RSU Scheme 2022. All questions of interpretation of the RSU Scheme 2022 shall be determined by the Committee and such determination shall be final, conclusive and binding.

**b) Total number of Options, Stock Units, Shares or Benefits to be granted:**

The total number of Restricted Stock Units to be granted under RSU Scheme 2022 shall not exceed 8,50,000 (Eight lakh fifty thousand only) at any given point of time. Each RSU when exercised shall be converted into 1 (one) fully paid-up equity share of the Company. The RSU may be granted in one or more tranches as may be decided by the Committee. In case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of shares, the ceiling as aforesaid of 8,50,000 (Eight lakh fifty thousand only) equity shares shall be deemed to be increased/decreased, as may be determined by the Committee, to facilitate making a fair and reasonable adjustment to the entitlements of participants under RSU Scheme 2022 such that the total value to the employee of the RSU remains the same after the corporate action.

**c) Identification of classes of employees entitled to participate and be beneficiaries in RSU Scheme 2022:**

Following classes of employees are entitled to participate in RSU Scheme 2022.

- a) Employees of the Company with the designation equivalent to Senior Manager I and Chief Manager (or any re-classification to equivalent grades) or any exceptions approved by Nomination and Remuneration Committee;
- b) Such other employee, as may from time to time be allowed under Applicable Laws and as may be decided by the Nomination and Remuneration Committee.

**d) Requirements of vesting and period of vesting:**

RSUs Granted under this Scheme would vest based upon the criteria as may be decided by the Nomination and Remuneration Committee and specified in the Grant Letter. The entire Restricted Stock Unit Grant is proposed to be performance based. The vesting period shall commence any time after the expiry of 1 (one) year from the date of the Grant of such options and shall end over a maximum period of 5 (five) years from the Grant date. The number of RSUs and terms of the same made available to the employees (including vesting) may vary at the sole discretion of the Nomination and Remuneration Committee.

**e) Maximum period within which the RSUs shall be vested:**

The maximum period within which RSUs granted under RSU Scheme 2022 shall vest would not be more than 5 (five) years from the date of grant of such RSUs. Further, no vesting will be done prior to one year from the date of grant of options.

**f) Exercise price or pricing formula:**

The exercise price will be INR 10.00 per Equity Share within the meaning of the Scheme determined with reference to the grant date.

**g) Exercise period and the process of Exercise:**

Eligible Employee(s) will be permitted to exercise vested RSUs on and from the date of vesting of the RSUs for an exercise period as may be determined by the Committee and set out in the Grant Letter. However, in no event shall the exercise period exceed a period of 1 (One) year from the Vesting Date. The vested RSUs shall be exercisable by the employees by submitting an application to the Company/Committee expressing his/her desire to exercise such vested options in such manner and in such format as may be prescribed by the Committee. The vested RSUs shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under RSU Scheme II 2022:**

The appraisal process for determining the eligibility shall be decided by the Nomination and Remuneration Committee from time to time.

**i) Maximum number of RSUs to be issued per employee and in aggregate:**

The number of RSUs that may be granted per employee of the Company in any financial year and in aggregate under the RSU Scheme 2022 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company at the time of grant RSUs. Further, the maximum number of RSUs to be issued in aggregate shall not be more than 8,50,000 which shall be converted into 8,50,000 fully paid-up equity shares of INR 10/- each at any given point of time.

**j) Maximum quantum of benefits to be provided per employee under the RSU Scheme 2022:**

Same as above of point (i).

**k) Implementation or administration of Scheme:**

The Scheme shall be implemented and administered directly by the Board/ Nomination and Remuneration Committee of the Company.

**l) Source of acquisition of shares under the Scheme:**

The Scheme contemplates primary issuance of new shares by the Company.

**m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

Not applicable

**n) Maximum percentage of secondary acquisition:**

Not applicable

**o) Disclosure and Accounting Policies:**

The Company shall comply with the accounting policies and disclosure requirements prescribed under Regulation 15 of SEBI SBEB Regulations.

**p) Method of option valuation:**

The Company shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other statutory provisions from time to time for valuation of options.

**q) Declaration (if applicable):**

Fair value method shall be opted by the Company for expensing the benefits of the Scheme.

The Shares allotted pursuant to Exercise of RSUs by the Eligible Employees shall not be subject to any lock-in restrictions, unless so required under any applicable law.

The conditions under which the RSUs shall lapse and the time period for exercise in the event of resignation or termination is specified in the Scheme.

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Pursuant to section 62(1)(b) of the Act, further equity shares may be issued to persons other than existing Shareholders of the Company subject to approval of Shareholders by way of Special Resolution. Further, consent of the Shareholders is also required under SEBI SBEB Regulations by way of a Special Resolution.

As the RSU Scheme 2022 provides for issue of Shares to be offered to employees of the Company, consent of the Shareholders is being sought pursuant to Section 62(1) (b) and all other applicable provisions, if any, of the Act and as per Regulation 6 of the SEBI SBEB Regulations.

None of the Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution, except to the extent of the stock options that may be granted to them under RSU Scheme 2022.

The Board of Directors recommends this as Special resolution for the approval of Shareholders.

#### **ITEM NO. 9**

#### **Approval of Employees Stock Option Scheme (ESOP Scheme III 2022) of the Company.**

With the objective of rewarding and motivating key employees for their long association and in recognition of their dedicated services to the Company and also to attract and retain the best talent in the competitive environment and encourage them to align individual performance with Company's objectives, the Company has been granting stock options. The adverse market conditions have impacted the earlier granted options under existing ESOP Schemes.

With rising competition across NBFC/HFC segments as well as the emergence of new age skills in the area of digital, data science, risk and information technology, it has become imperative for the Company to broad-base its equity based long term incentives to attract and retain talent across levels.

Hence, the Company proposes to extend the grant of Options to employees at senior management level as part of the overall compensation structure. The Scheme will ring fence critical employees of the Company for business continuity.

The Board of Directors of your Company has recommended and authorized the Nomination and Remuneration Committee to implement the ESOP Scheme III 2022 in the Company.

For the purpose of this ESOP Scheme III 2022, option means an employee stock option granted to an employee, which gives the employee the right, but not an obligation, to purchase or subscribe at a future date, at pre-determined price subject to certain pre-defined vesting criteria based on performance.

The details as required under Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"):

#### **a) Brief description of the ESOP Scheme III 2022:**

The Company proposes to introduce the ESOP Scheme III /2022 to strengthen the link between Company performance, compensation, to attract and retain key employees (present and future) of the Company in the competitive environment and encourage them to align individual performance with Company's objectives. The Company views performance-based employee stock options ("Option") as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. The Options granted under the ESOP Scheme III 2022 shall vest on satisfaction of vesting conditions which are a combination of Company and individual performance and can thereafter be exercised resulting in allotment of equity shares of the Company.

The Nomination and Remuneration Committee ("Committee") shall administer ESOP Scheme III 2022. All questions of interpretation of the ESOP Scheme III 2022 shall be determined by the Committee and such determination shall be final, conclusive and binding.

#### **b) Total number of Options, Stock Units, Shares or Benefits to be granted:**

The total number of Options to be granted under the ESOP Scheme III 2022 shall not exceed 20,00,000 (Twenty lakh only). Each Option when exercised shall be converted into 1 (one) fully paid-up equity share of the Company. The Option may be granted in one or more tranches as may be decided by the Committee. In case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of shares, the ceiling of 20,00,000 (Twenty lakh only) shares shall be deemed to be increased/decreased, as may be determined by the Committee, to facilitate making a fair and reasonable adjustment to the entitlements of participants under ESOP Scheme III 2022 such that the total value to the employee of the ESOP remains the same after the corporate action.