



  
**STEPPING  
UP**





“If it doesn't challenge you,  
it won't change you!”

The urge to push limits, a trait that fuels the fire within us to outdo the set benchmarks.

It is this urge that prompts us to STEP UP and thrust ourselves beyond the known boundaries to deliver performance exceptionnelle.

Excellence never comes easy. It demands relentless supply of dedication, patience and most importantly physical and mental agility, much in similarity to what we get to see in the world of sports. Records get made, records get broken, winners celebrate while others gear up for the next opportunity. And yet it's not about winning or losing. It's about becoming better than one already is, for there are no confines to self-improvement.

We at PNB Housing, are inspired by the athleticism that makes sports one of the most exciting activities to engage in. Year on year, we compete with ourselves and try to better our performance by working harder and accepting bigger challenges.

Our Annual Report 2017-18 is a tribute to the spirit of sportsmanship that inspires us to step up and move forward in the journey called 'a better tomorrow'.

#### SWIMMING

Swimming as a sport, has been around for a very long time. It became an Olympic sport in 1896. This sport works out all the body's main muscles; an energetic hour long session can burn up to 784 calories. Apart from building a strong body, swimming aids mental well-being and is a joyful activity to indulge in.





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## ^ STEPPING UP THE EFFORTS TO MAKE OUR NATION PROUD

PNB Housing turned 30, this year!

We embarked on this odyssey with a dream that one day every single family in the country shall have a home of their own. That will be the day when our nation shall stand proud as a true super power.

This dream must be fulfilled and we are reaching out to home aspirants far and wide, opening doors to their dream houses through surprisingly easy home loans as if it is a 'Ghar Ki Baat.'



## PNB HOUSING – COMMITTED TO SPREAD SMILES AMONG HOME ASPIRANTS ON ITS PATH TOWARDS NATION BUILDING

### The Company...

- ... has been serving home aspirants across the country for 30 years
- ... reaches home aspirants through 84 branches, 21 regional offices and 3 zonal offices spread across 47 unique locations across the country
- ... is the 5th largest<sup>^</sup> housing finance company by assets size and 2nd largest\* by deposit book size among leading HFCs in India
- ... offers a wide range of products in home loans, non-home loans, construction finance to real estate developers and deposits
- ... fosters customer delight and convenience with transparency via numerous technology enabled and customer friendly solutions
- ... became a public listed entity in FY2016-17
- ... has ISO 9001:2015 certified central operations and central processing centre, ISO 9001:2015 customer service operations and ISO 9001:2008 certified contact centre

### JAVELIN THROW

The javelin throw is a track and field event where the javelin, a spear about 2.5 m in length, is thrown. A perfect throw requires coordination between the mind and body. The athlete focuses on the target, paces with conscious steps and hurls the javelin at a precise angle to make sure it reaches the farthest distance.

<sup>^</sup>ICRA Indian Mortgage Finance Market Update for 9MFY2018  
\*Company Reports



# STEPPING UP PERFORMANCE

## HIGHLIGHTS FOR FY2017-18

During the year, the Company crossed landmark number of ₹ 50,000 crores assets with assets under management expanding to ₹ 62,252 crores marking a rise of 50% over FY2016-17

The portfolio quality remained robust as our NPAs were among the lowest in the industry

We maintained a well balanced portfolio with exposure to home loan at 70% and non-home loan at 30%

We continued to self-generate our raw material for lending purpose as deposits contributed 21.35% to borrowing mix

Incorporated wholly owned subsidiary PHFL Home Loans and Services Ltd. to focus on sales and distribution functions of PNB Housing

Our self-efficiency enhanced as we sourced 65% of our business from in-house sales channel; now a part of PHFL Home Loans and Services Ltd.

Our customer service operations are now ISO certified indicating an efficient and customer focused quality framework

The Company has been certified as a Great Place to Work, second year in a row

### MOUNTAIN BIKING

Mountain biking is believed to have originated in USA by bike enthusiasts, who modified cruiser bicycles including brakes and tyres to ride in off-road conditions. In 1983, the first national mountain bike championship was held in US and in 1996 it was included in the summer olympics programme, Atlanta.



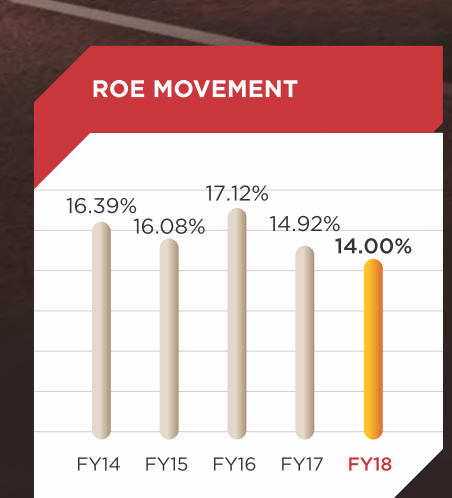
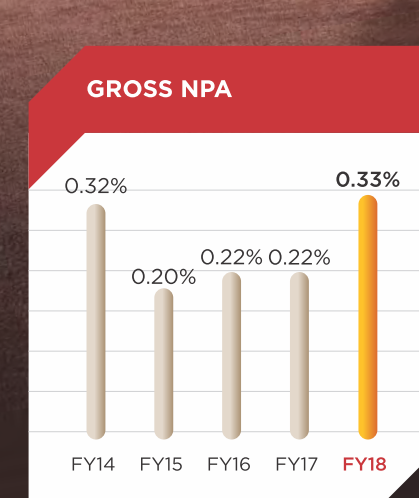
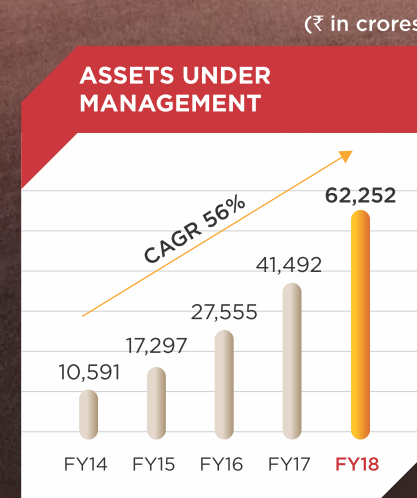
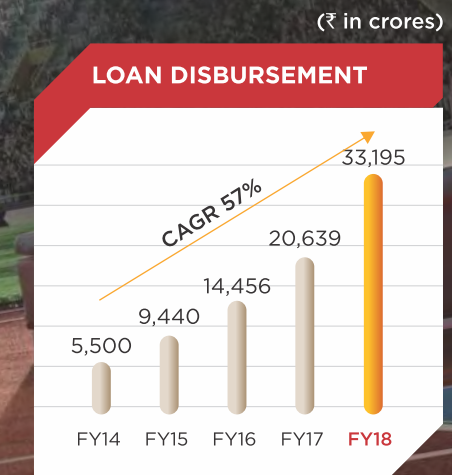
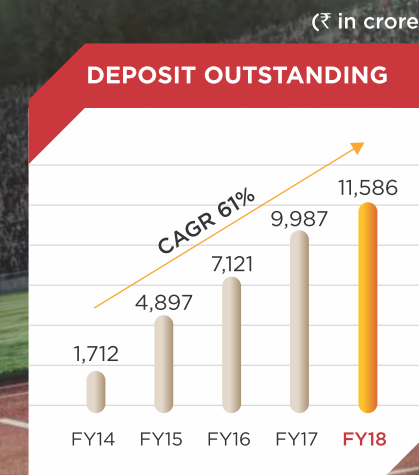
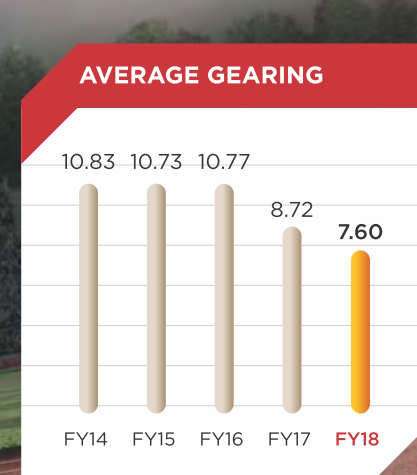
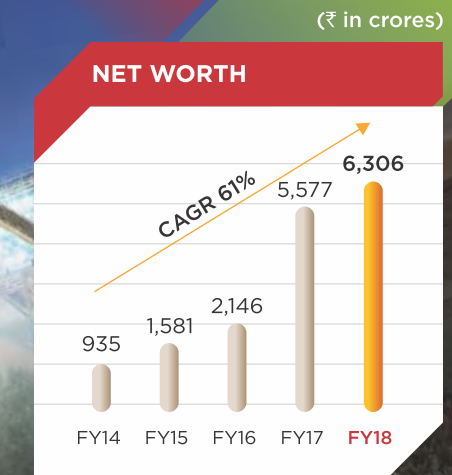
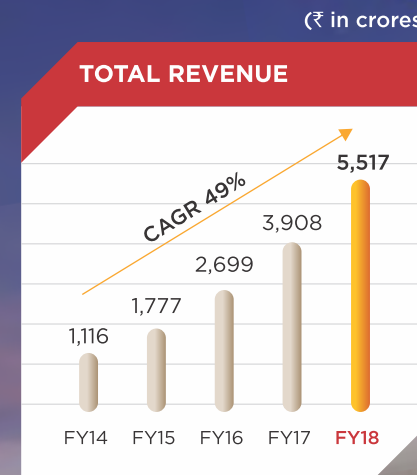


**POLE VAULT**

Pole jumping competitions were known to the ancient Greeks, Cretans and Celts. The concept behind this sport is to efficiently translate kinetic energy accumulated by running into potential energy stored by the elasticity of the pole, and to gain as much vertical height as possible by jumping off the ground.

# STEPPING UP POSITION

Over the last few years, PNB Housing has been maintaining its stature as one of the fastest growing HFCs in the country. We have been rising up the charts steadily and today we are positioned amongst the top five players in the segment. We are stepping closer to our mission to stand tall as one of the most admired housing finance companies in India.







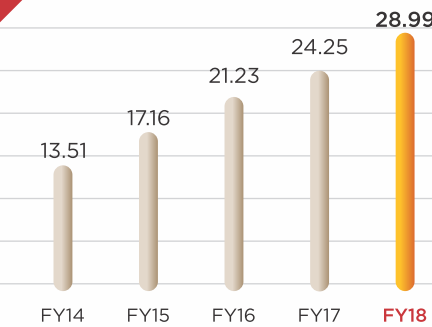
# STEPPING UP EFFICIENCY

## BASKETBALL

In professional basketball, the benchmark for comparing the overall value of players is called efficiency. It is derived from basic individual statistics: points, rebounds, assists, steals, blocks, turnovers and shot attempts. These stats account for both a player's offensive and defensive contributions.

(₹ in crores)

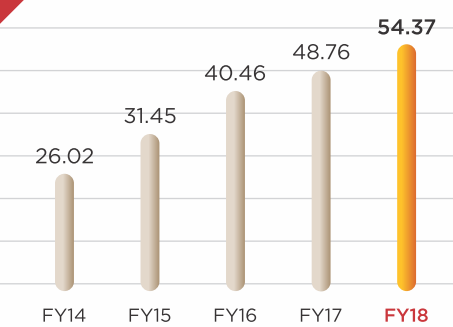
### DISBURSEMENT PER AVERAGE EMPLOYEE



The Company has witnessed a considerable enhancement in per average employee efficiency

(₹ in crores)

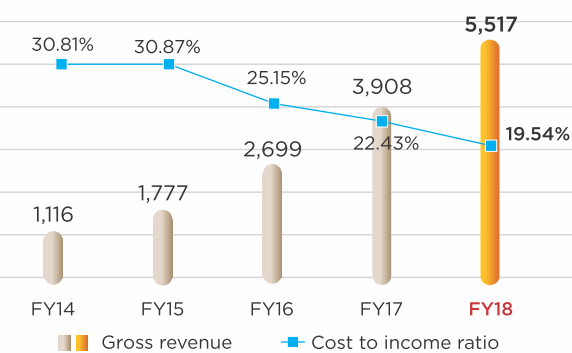
### AUM PER AVERAGE EMPLOYEE



The AUM per average employee has grown substantially

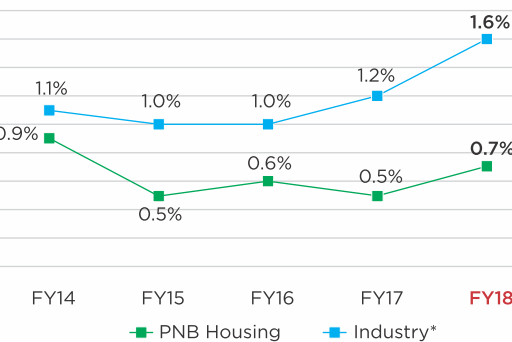
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### GROSS REVENUE & COST TO INCOME RATIOS



The inverse trend of increasing gross revenues to falling cost to income ratio continued during the financial year providing higher profitability

### 2 YEARS LAGGED NPAs

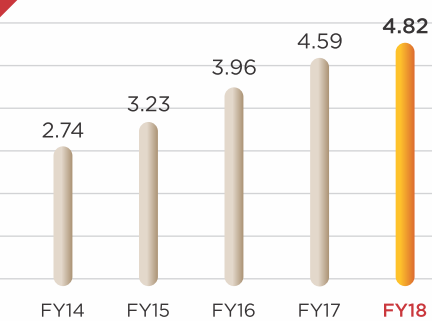


The Company has been performing better than the industry average on 2 year lagged basis

\*Source: CRISIL

(₹ in crores)

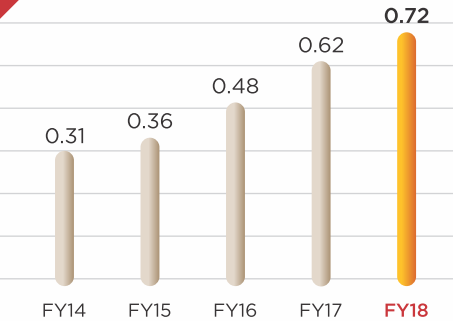
### REVENUE PER AVERAGE EMPLOYEE



The revenue per average employee stands at ₹ 4.82 crores in FY 18

(₹ in crores)

### PROFITABILITY PER AVERAGE EMPLOYEE



The profitability per average employee has grown substantially



### ROCK CLIMBING

The sport of rock climbing grew in popularity in England during the late 1880s. Ever since, determined climbers have scaled the highest of peaks. Even Mt. Everest, which is one of the toughest mountains to climb owing to unpredictable winds, snow and treacherous cliffs, has been conquered by several dare devil mountaineers.

## STEPPING UP REACH

India's housing finance sector is significantly under penetrated. The environment is conducive to capitalise upon the plethora of opportunities that have opened up over the years for the sector. PNB Housing is expanding its reach through a well-defined strategy of controlled aggression, ensuring that each of its branch is a healthy contributor to the performance of the Company.





## STEPPING UP FITNESS

The housing finance sector is surrounded by opportunities and challenges. We consider these challenges inherent to our business and stay prepared to mitigate them. We work hard to keep ourselves agile and alert.

### **KAYAKING**

Kayaking is a physically demanding sport. Paddling a kayak requires muscular force, stamina and endurance. This sport works the entire body. The torso, hips, legs, arms and of course the shoulders have to be in top shape to control every single kayaking stroke.



### WATER RAFTING

White water rafting is one of the fastest growing adventure sports. The rubber raft was invented by U.S. soldiers in the 1840s. There is an international scale which is used to rank river difficulty level of the rapids. This team event requires combined efforts of the rafters to traverse through the rough currents of the roaring rivers.

## STEPPING UP TEAMWORK

Team work is about oneness. It is a virtue that makes you believe that "No one of us, is as strong as all of us!" PNB Housing is a united contingent of talented work force, business associates, stakeholders and employees, where each member knows his or her role and is determined to perform to the fullest to make this a great place to work.



### FORMULA 1

Formula 1 is a breeding ground for innovation & technology. Modern F1 cars are capable of capturing energy lost during braking and then reusing the same. While household cars generally rev up to 6,000 rpm, F1 engine can rev up to 20,000 rpm.

## STEPPING UP TECHNOLOGY

Technology continues to be a power that we humans have harnessed to augment our capabilities. PNB Housing believes in staying ahead of time by adapting, innovating and deploying state of the art technology to improve efficiency, customer convenience and ease of doing business with our stakeholders.





# STEPPING UP PHILANTHROPY

Knowledge, skill, humility and experience are tools meant to be utilised for a greater good. Through our CSR initiatives we are creating a platform to help the lesser privileged in realising their true potential.

## LAWN TENNIS

Lawn tennis as a sport is believed to have originated in the 12th century. Over the years several players have earned global recognition through this game. It is very heartening to see that many of these sportstars are helping budding talents find their place in this exciting sport.



# AWARDS AND RECOGNITIONS

Recognized as 'Symbol of Excellence in the BFSI Sector' at The Economic Times Best BFSI Brands Awards 2018

Awarded 'Best Project Finance Company of the Year' at Construction Times Builders Award 2018

Awarded 'Housing Finance Company of the Year' at the 10th Annual Estate Awards organized by Franchise India in association with ET Now

Awarded 'Excellence in Customer Relation' at GIHED CREDAI Property Show 2017

Awarded 'IPO of the Year' by Finance Monthly Magazine (M&A Award)

Honored in the field of 'IT Security' at CSO 100 Awards

Awarded Bronze for Outdoor Campaign during IPO at Outdoor Advertising Awards 2017, in the financial services category

Bagged Silver Award for the Annual Report FY2016-17 from ABCI (Association of Business Communication of India)

Felicitated as 'Leading Housing Finance Company 2017' at National Awards organized by CMO Asia

Conferred with the title of 'Best Housing Finance Company of the Year' at ET Now Rise with India - Banking, Financial Services and Insurance Awards

## RUNNING

Distance running is the most basic form of racing. This distance varies from 100 meters to several kilometers. Athletes practice for years to showcase their potential in races which sometimes last for less than 10 seconds. Even a hundredth of a second can make a difference between winning and losing.



## PNB HOUSING'S GROWTH STORY

### 1988

Company incorporated

### 2009

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

### 2010

Launched Business Process Re-engineering project - 'Kshitij'

### 2003

Notified under SARFAESI Act

### 2006

Crossed ₹ 1,000 crores loan portfolio

### 2011

- Introduced new brand positioning
- Robust and scalable Target Operating Model ('TOM') implementation commenced

### 2012

- DEL raised stake from 26% to 49%
- Gross NPAs brought below 0.5% of the asset portfolio
- AUM: ₹ 3,970 crores
- Deposits: ₹ 333 crores
- PAT: ₹ 75 crores

### 2013

- Crossed ₹ 1,000 crores in deposits
- 'CRISIL AA+' rating (for NCDs and bank term loans) and FAAA (for Deposits)

### 2014

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

### 2015

- Implemented end-to-end Enterprise System Solution
- AAA rating by ICRA and India Ratings (Fitch Group)
- DEL acquired by Quality Investment Holdings (QIH), of the Carlyle Group

### 2016

- IPO - Raised ₹ 3,000 crores
- Listed on the NSE and BSE
- TOM fully implemented

### 2017

- AUM crossed ₹ 50,000 crores mark
- Certified as a 'Great Place to Work' by building a 'High Trust, High Performance Culture'
- Incorporated wholly owned subsidiary PHFL Home Loans and Services Ltd.

### 2018

- MTN set up for \$1 billion to raise off-shore funds
- Certified Great Place to Work for second year in a row



## Profile of **DIRECTORS ON THE BOARD OF PNB HOUSING**



**Mr. Sunil Mehta** | DIN No. 07430460

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

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



**Mr. Sunil Kaul** | DIN No. 05102910

He is a Non-Executive Director of PNB Housing Finance Limited since March 5, 2015. He is a member of Risk Management Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee.

He was the President of Citibank Japan and the Chairman of CitiCards Japan KK and CitiFinancial Japan KK. He was also the Head of retail banking for Citibank in Asia, the Head of international personal banking for Citibank in New York and the Head of Citi's global transaction services at Citibank, Japan. Mr. Kaul is presently the Managing Director of Carlyle Singapore Investment Advisors Pte Limited and is the Head of South East Asia for financial services sector of the Carlyle Asia Buyout Advisory Team and concurrently heads the financial services sector for the team in Asia. He has over 30 years of experience in the fields of private equity, corporate and consumer banking.



**Mr. S. K. Jain** | DIN No. 00047474

He is an Independent Director of PNB Housing Finance Limited since August 14, 2014. He heads the Nomination and Remuneration Committee and Credit Committee of Board. He is also a member of Risk Management Committee.

He has also served as a member of the Beta Gamma Sigma Society of the Indiana University chapter. Prior to joining PNB Housing Board, he worked with Citibank in Hong Kong, Taiwan, Philippines and Canada. He has more than 31 years of experience in the field of banking.



**Mr. R Chandrasekaran** | DIN No. 00580842

He is an Independent Director of PNB Housing Finance Limited since October 7, 2015. He is the Chairman of the Corporate Social Responsibility Committee and member of Audit Committee of Board.

Apart from being on Company's Board of Directors, Mr. Chandrasekaran is also the Executive Vice Chairperson of Cognizant India since December 1st, 1994. Prior to joining Cognizant, he worked with Tata Consultancy Services for over 9 years. He has over 31 years of experience in the field of information technology.



**Mr. Nilesh S Vikamsey** | DIN No. 00031213

He is an Independent Director of PNB Housing Finance Limited since April 22, 2016. He is the member of Audit Committee of Board and Nomination and Remuneration Committee.

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





**Prof. (Dr) Gourav Vallabh** | DIN No. 02972748

He is an Independent Director of PNB Housing Finance Limited since April 22, 2016. He heads the Audit Committee of Board and Risk Management Committee.

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



**Mr. Jayant Dang** | DIN No. 01262335

He is an Independent Director of PNB Housing Finance Ltd since March 15, 2018. He is the member of Credit Committee of Board and Risk Management Committee.

He started his career in 1972 and has worked with various corporates such as Taj Group of Hotels, Citibank, Asian Development Bank, Escorts Finance Limited and HCL Infosystems Ltd. At Citibank, he has worked in various capacities during his tenure of 15 years which included Business Risk Reviewer of Middle East, Africa and Eastern Europe and Corporate Bank Head of North India. He was appointed ADB's nominee director on the Boards of SBI Capital Markets, Centurion Bank and the National Development Bank of Sri Lanka. He provides consultancy to banks and NBFCs as well as to their regulators. He has an experience of over 38 years in the field of corporate banking, portfolio and risk management, debt restructuring and marketing.



**Mr. Ashwani Kumar Gupta** | DIN No. 00108678

He is an Independent Director of PNB Housing Finance Limited since May 12, 2017. He is a member of the Stakeholders Relationship Committee.

He is a member of The Institute of Chartered Accountants of India, 1977 batch. He has also served as the Regional Council Member of Central India Regional Council of The Institute of the Chartered Accountants of India. He has been Government Nominee on the Board of Joint Sector Companies and Reserve Bank of India Nominee on the Boards of various banks. He is also associated with various Charitable Trusts & Organizations. He is experienced in management of corporate finance, planning, treasury, issue management, merchant banking, company law matters, taxation, implementation of expansion activities etc. He has over 34 years of experience in finance, treasury, real estate, securitization and reconstruction of assets.



**Mr. Sanjaya Gupta** | DIN No. 02939128

He is the Managing Director of PNB Housing Finance Limited since June 25, 2010. He is the member of Credit Committee of Board, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

Prior to his current assignment, Mr. Gupta has worked for large corporate houses like HDFC Limited, ABN Amro Bank N.V. and AIG United Guaranty. He is an Independent Director at India Shelter Finance Corporation Ltd., where he also heads the Audit Committee of the Board and is on the NPS Committee of the PFRA to advice on investment in housing sector. He is a Nominee Director for Asian Development Bank (ADB) on the Board of Satin Creditcare Network Ltd. He was ADB nominated Director on Board of HDFC Maldives. He is also a Fellow of the Royal Institution of Chartered Surveyors. Throughout his career spanning over 32 years, he has been contributing to the ontogenesis of mortgage industry and allied risk management products across India. He is often consulted by the policy makers for key changes in the sector.



**Mrs. Shubhalakshmi Panse** | DIN No. 02599310

She is an Independent Director of PNB Housing Finance Limited since July 7, 2017. She is the Chairperson of the Stakeholders Relationship Committee.

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