

## Annexure to Directors' Report - 4

### REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Good corporate governance is the core of Company's philosophy. The Company has long term relationship with its valued depositors, business partners and its financiers. The Company has been following principles of transparency and adequacy in all the disclosures through Annual Reports, financial results and other public documents. The Company believes in maximising its shareholders' value following transparency and fairness towards all its stakeholders viz. customers, business partners, investors, human capital, the government and the society. The Company practices ethical standards in all its dealings.

The Company will continue to maintain high standards in corporate ethics, transparent disclosure, accountability and integrity. The Company's policies are key to high standards of corporate governance. The Company will continue to follow all the applicable laws, regulatory guidelines and changes, which will come into effect from time to time.

The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended by SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

The following is the Board's report on corporate governance.

### BOARD OF DIRECTORS

The Board is overall responsible to oversee the Company management and to protect the long-term interests 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 WHICH ENABLES IT TO 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, mortgages, banking, credit and information technology. The directors are highly qualified and have held leadership positions in high performing banks and companies. 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.

### COMPOSITION

As on March 31, 2019, the Board consists of ten members comprising six independent directors, three non-executive directors (including the Chairman) and one Managing Director. The Board appointed Mr. Neeraj Vyas, independent Director on April 15, 2019. None of the 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 LODR and Section 149 of the Companies Act, 2013. During the financial year, Mr. L V Prabhakar was appointed as non-executive Director and Mr. Jayant Dang resigned from the Board due to personal reason. 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			Number of Directorships*	Name of Listed Companies and Designations	Number of Committees**	
		Category	DIN			Member	Chairperson
1	Mr. Sunil Mehta	Non-Executive Director Nominee Director of Punjab National Bank as equity shareholder	07430460	6	1. Punjab National Bank – MD and CEO 2. PNB Housing Finance Limited – Chairman and Non-Executive Director 3. PNB Gilts Limited - Chairman and Non-Executive Director	-	-
2	Mr. L. V Prabhakar (Appointed w.e.f. August 9, 2018)	Non-Executive Director Nominee Director of Punjab National Bank as equity shareholder	08110715	3	1. Punjab National Bank – Executive Director 2. PNB Housing Finance Limited – Non-Executive Director	2	-
3	Mr. Sunil Kaul	Non-Executive Director  Nominee Director of Quality Investment Holdings as equity shareholder	05102910	1	1. PNB Housing Finance Limited – Non-Executive Director	-	-
4	Mr. Shital Kumar Jain	Independent Director	00047474	2	1. PNB Housing Finance Limited – Independent Director 2. R S Software (India) Ltd. – Independent Director	2	2
5	Mr. Nilesh S Vikamsey	Independent Director	00031213	10	1. Navneet Education Limited – Non-Executive Director 2. Thomas Cook (India) Limited – Independent Director 3. The Federal Bank Ltd – Independent Director 4. PNB Housing Finance Limited – Independent Director 5. IIFL Holdings Limited – Independent Director 6. SBI Life Insurance Company Limited – Independent Director	10	2
6	Mr. R Chandrasekeran	Independent Director	00580842	1	PNB Housing Finance Limited – Independent Director	-	-
7	Dr. Gourav Vallabh	Independent Director	02972748	1	1. PNB Housing Finance Limited – Independent Director	1	-
8	Mrs. Shubhalakshmi Panse	Independent Director	02599310	8	1. Sudarshan Chemical Industries Limited – Independent Director 2. Cholamandalam Financial Holdings Limited – Independent Director 3. The Federal Bank Ltd – Independent Director 4. PNB Housing Finance Limited – Independent Director 5. Atul Limited – Independent Director	7	3
9	Mr. Ashwani Kumar Gupta	Independent Director	00108678	4	1. Dhampur Sugar Mills Limited – Independent Director 2. PNB Housing Finance Limited – Independent Director	3	1
10	Mr. Neeraj Vyas (Appointed w.e.f. April 15, 2019)	Additional Director (Independent)	07053788	1	PNB Housing Finance Limited – Independent Director	-	-
11	Mr. Sanjaya Gupta	Managing Director	02939128	2	1. PNB Housing Finance Limited – Managing Director	2	1
12	Mr. Jayant Dang (Ceased to be a Director w.e.f. July 20, 2018)	Independent Director	01262335	NA	NA	NA	NA

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

\*\*Audit Committee and Stakeholders Relationship Committee.

## 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.

## ROLE OF INDEPENDENT DIRECTORS

Company's independent directors are persons of eminence from diverse fields in 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 all the committees, namely Audit, Nomination and Remuneration, Credit, Risk Management and Corporate Social Responsibility committees. 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.

## APPOINTMENT OF INDEPENDENT DIRECTORS

The independent directors have been appointed for a five years term as under;

- Mr. Shital Kumar Jain was appointed on August 8, 2014
- Mr. R Chandrasekaran was appointed on October 7, 2015
- Mr. Nilesh S Vikamsey was appointed on April 22, 2016
- Dr. Gourav Vallabh was appointed on April 22, 2016
- Mr. Ashwani Kumar Gupta was appointed on May 12, 2017
- Mrs. Shubhalakshmi Panse was appointed on July 7, 2017.

Mr. Neeraj Vyas was appointed on April 15, 2019 as an Additional Director on the Board.

The independent directors are not liable to retire by rotation.

A 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, [www.pnbhousing.com](http://www.pnbhousing.com).

## 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 familiarisation 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.

## BOARD MEETINGS

Board Meetings are normally held at PNB's Head Office at New Delhi. Board meetings are scheduled well in advance and the 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 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 to 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.

During the year under review, the Board has met eight times. The meetings were held on May 3, 2018, June 26, 2018, July 27, 2018, August 9, 2018, November 5, 2018, January 24, 2019 and March 19, 2019 (two meetings). The attendance of the directors at the Board meetings and the 30th Annual General Meeting held on July 27, 2018 are listed below:

Directors	Board Meetings	Attendance at the 30th AGM	Sitting fee paid*
Mr. Sunil Mehta	6	Yes	*
Mr. L V Prabhakar (Appointed as Director with effect from August 9, 2018)	3	NA	*
Mr. Sunil Kaul	8	Yes	-
Mr. Shital Kumar Jain	7	Yes	3,50,000
Mr. R Chandrasekaran	8	Yes	4,00,000
Mr. Nilesh S Vikamsey	7	Yes	3,50,000
Dr. Gourav Vallabh	8	Yes	4,00,000
Mr. Ashwani Kumar Gupta	8	Yes	4,00,000
Mrs. Shubhalakshmi Panse	7	Yes	3,50,000
Mr. Sanjaya Gupta, Managing Director	8	Yes	-
Mr. Jayant Dang (Ceased to be a Director from July 20, 2018)	2	No	1,00,000

\*The sitting fees of ₹50,000/- for attending each Board meeting was paid to the independent directors. The sitting fee of Mr. Sunil Mehta and Mr. L V Prabhakar was paid to the Punjab National Bank.

## 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 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.

The various committees, their roles and their members are;

### Audit Committee

The Audit Committee has three independent directors; Mrs. Shubhalakshmi Panse, Chairperson, Dr. Gourav Vallabh and Mr. Nilesh S Vikamsey.

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

- The Audit Committee assist 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 Policy, it approves related party transaction.
- It reviews the functioning of whistle blower mechanism.
- 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 four times on May 2, 2018, August 8, 2018, November 5, 2018 and January 24, 2019. The details of attendance at the Audit Committee meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mrs. Shubhalakshmi Panse (Inducted member and chairperson of Audit Committee w.e.f. August 9, 2018)	2	60,000
Dr Gourav Vallabh	4	1,20,000
Mr. Nilesh S Vikamsey	3	90,000
Mr. R Chandrasekaran (Ceased to be member of Committee with effect from August 9, 2018)	2	60,000

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors.

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

### Nomination and Remuneration Committee (NRC)

The NRC has four directors; Mr. Nilesh S Vikamsey, Chairman, Mr. L V Prabhakar, Mr. Sunil Kaul and Mr. R Chandrasekaran. The Committee has been delegated powers, roles and responsibilities as required under section 178 of the Companies Act, 2013 and as per Listing Regulations.

The NRC formulate 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 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 June 25, July 27, August 30, September 24, 2018 and March 19, 2019. The details of attendance at the NRC meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. Shital Kumar Jain (Ceased to be member of committee w.e.f. August 9, 2018)	2	60,000
Mr. Sunil Kaul	5	-
Mr. Nilesh S Vikamsey	4	1,20,000
Mr. R Chandrasekaran (Inducted member of the Committee w.e.f. August 9, 2018)	3	90,000
Mr. L V Prabhakar (Inducted member of the Committee w.e.f. August 9, 2018)	3	-*

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

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

#### Corporate Social Responsibility Committee (CSR)

The CSR Committee has four directors; Mr. R Chandrasekaran, Chairman, Mr. L V Prabhakar, Mr. Ashwani Kumar Gupta and Mr. Sanjaya Gupta. It oversees Corporate Social Responsibilities of the Company and approve project wise budget of CSR. The Board has approved Charter for CSR activities.

It also oversees the functioning of Executive Committee of CSR Management.

During the year, the CSR Committee has met two times on August 30, 2018 and March 20, 2019. The details of attendance at the CSR meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. R Chandrasekaran	2	60,000
Mr. L V Prabhakar (Inducted member w.e.f. August 9, 2018)	1	*
Mr. Ashwani Kumar Gupta (Inducted member w.e.f. August 9, 2019)	2	60,000
Mr. Sanjaya Gupta	2	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

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

#### Stakeholders Relationship Committee (SRC)

It comprises of four directors; Mrs. Shubhalakshmi Panse, Chairperson, Mr. Ashwani Kumar Gupta, Mr. Sunil Kaul and Mr. Sanjaya Gupta.

It oversees the investors' grievances, investor relations, recommend to the Board raising of equity share capital and allotment of shares.

During the year, the SRC has met three times on May 3, 2018, August 9, 2018 and March 20, 2019.

Directors	Number of meetings attended	Sitting fee*
Mr. Ashwani Kumar Gupta	3	90,000
Mrs. Shubhalakshmi Panse	2	60,000
Mr. Nilesh S Vikamsey (Inducted member w.e.f. August 9, 2018 and ceased to be a member w.e.f. December 26, 2018)	1	30,000
Mr. Sanjaya Gupta	3	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. Mr Sunil Kaul was inducted w.e.f. March 27, 2019

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

The status of shareholders' complaints during FY 2018-19, 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.)
1	1	-

#### Risk Management Committee

The Risk Management Committee has five directors; Dr. Gourav Vallabh, Chairman, Mr. L V Prabhakar, Mr. Shital Kumar Jain, Mr. Sunil Kaul and Mr. Sanjaya Gupta. 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 assist 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, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Committee has met four times during the year on June 25, 2018, October 8, 2018, January 10, 2019 and February 21, 2019.

Directors	Number of meetings attended	Sitting fee*
Dr. Gourav Vallabh	4	1,20,000
Mr. Shital Kumar Jain	3	90,000
Mr. Sunil Kaul	4	-
Mr. Jayant Dang (inducted member w.e.f. May 3, 2018 and ceased to be a member w.e.f. July 20, 2018)	1	30,000
Mr. L V Prabhakar (inducted member w.e.f. August 9, 2018)	2	*
Mr. Sanjaya Gupta	4	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors. The sitting fee of Mr. L V Prabhakar was paid to the Punjab National Bank.

#### Credit Committee (CCB)

The Credit Committee has four directors; Mr. Shital Kumar Jain, Chairman, Mr. Ashwani Kumar Gupta, Mr Neeraj Vyas (w.e.f. May 9, 2019) and Mr. Sanjaya Gupta. The Board has delegated powers to sanction loans to the Committee. It formulates credit policy parameters for loans to various segments, review the feedback mechanism to policy to improve and to maximise risk/ return matrix. The CCB reviews the credit performance and collection effectiveness of the portfolio.

During the year, the CCB had met sixteen times on April 13, 2018, May 10, 2018, June 14, 2018, July 17, 2018, August 2, 2018, August 14, 2018, August 31, 2018, September 11, 2018, September 19, 2018, October 4, 2018, November 29, 2018,

December 17, 2018, December 28, 2018, January 10, 2019, January 29, 2019 and March 25, 2019. The details of attendance at the CCB meetings are as under;

Directors	Number of meetings attended	Sitting fee*
Mr. Shital Kumar Jain	12	3,60,000
Mr. Jayant Dang (inducted member w.e.f. May 3, 2018 and ceased to be member w.e.f. July 20, 2018)	3	90,000
Mr. Ashwani Kumar Gupta (inducted member w.e.f. August 9, 2018)	11	3,30,000
Mr. Sanjaya Gupta	15	-

\*The sitting fees of ₹30,000/- for attending each meeting was paid to the independent directors.

### MEETING OF INDEPENDENT DIRECTORS

The independent directors met on May 3, 2018 without the presence of non-independent directors. 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.

Details of ESOP Options of Managing Director:

Name	Grant Date	Options Granted	Vesting Period	No. of options exercised
Sanjaya Gupta	April 22, 2016	5,33,076	25% each for 4 years from the date of grant	2,66,538
Sanjaya Gupta	July 27, 2018	1,20,000	<ul style="list-style-type: none"> <li>• 15% at the end of second year from the Grant date</li> <li>• 28% at the end of third year from the Grant date</li> <li>• 28% at the end of fourth year from the Grant date</li> <li>• 29% at the end of fifth year from the Grant date</li> </ul>	-

### BOARD EVALUATION

Board's 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 objectives are 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.

### REMUNERATION OF DIRECTORS

#### Non-Executive Directors

Only independent 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 independent 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

The Managing Director of the Company has been appointed for 5 years with effect from May 5, 2015. The remuneration of the Managing Director 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 comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. The Board in terms of authority delegated by the shareholders has approved the current remuneration of the Managing Director with effect from July 1, 2018.

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

The independent directors review the performance of the non-executive directors, the 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, one complaint was received from an investor. The complaint was related to non-receipt of Annual Report. The same has been closed.

### SUBSIDIARY COMPANIES

The Company has a wholly owned subsidiary "PHFL Home Loans and Services Limited" incorporated on August 22, 2017. The Company is a distribution arm for PNB Housing, offering doorstep services to the prospective customers.

### 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.

### PROCEEDS FROM PRIVATE PLACEMENT OF DEBT ISSUES

During the year, the Company has raised ₹1101 crores of secured NCDs through private placements in 6 series and ₹39.70 crores of un-secured subordinated NCDs through private placements in 2 series. As specified in the respective offer documents, the funds were utilised for onward lending.

### 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 (UPSII) and Share Dealing Code for Prevention of Insider Trading in terms of SEBI (Prevention of Insider Trading) Regulations, 2015. The code has been amended recently in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, (Amendments), 2018.

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 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. For the year under review, all directors and members of management have affirmed their adherence to the provisions of the Code.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has approved the vigil mechanism/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 is placed on the website of the Company.

### 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 maximising 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 maximise 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.

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 at the addresses registered with the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the scrutiniser appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutiniser;
- The Scrutiniser submits his report to the Chairman/ authorised 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.

### TOTAL FEES PAID TO STATUTORY AUDITORS BY COMPANY AND ITS SUBSIDIARY FOR ALL THE SERVICES DURING FY 2018-19

During the year, the statutory auditors were paid audit and other fees, including out of pocket expenses of ₹63 lakhs.

### DISCLOSURES

#### Related party transactions

The policy on Related Party Transactions as approved by the Board is available on the Company's website. 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, ECB and entered into securitisation of loans with Punjab National Bank. All the transactions were in the ordinary course of business and at arm's length. The Company has placed a resolution in the forthcoming AGM for ratification and continuation of banking transactions with PNB.

The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website [www.pnbhousing.com](http://www.pnbhousing.com)

### 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 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 August 3, 2016 at 04.30 p.m., August 2, 2017 at 3.00 p.m. and July 27, 2018 at 3.00 p.m. The first AGM was held at PNB House, Board Room, 7 Bhikaiji Cama Place, New Delhi and the last two AGMs were held at India Habitat Centre, Lodhi Road, New Delhi. Eight special resolutions were passed at the previous three Annual General Meetings.

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

### 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, 2019, except 16 shares, remaining equity shares of the Company are held in dematerialised form.

The Company has paid the listing fees for the year 2019-20 as per the listing agreement with the respective stock exchanges.

### Shareholders Relations

The Company has 90,522 shareholders as on March 31, 2019. 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. Shareholders are intimated through the press, email and Company's website, [www.pnbhousing.com](http://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 the BSE website under "BSE Listing Centre" and on the 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.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has 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 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent 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.

The Board has appointed CFO as Chief Investor Relation 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 ([www.pnbhousing.com](http://www.pnbhousing.com)). 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.

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

In accordance with SEBI (LODR) Regulations, 2015, Mr. Sanjaya Gupta, the Managing Director 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 is moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

### COMPLIANCE

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.

### 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.

### 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  
May 27, 2019

Managing Director

### 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 changes in the disclosures so made, about all persons, entities, firms, or other organisations 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.
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 lakh rupees.
vi	Underwriting 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.

## GENERAL SHAREHOLDER INFORMATION

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

### 31st Annual General Meeting

Date: Monday, July 29, 2019  
Time: 3.00 p.m.  
Venue: "The Stein Auditorium" Habitat World, at India Habitat Centre, Lodhi Road New Delhi-110003

### Financial Year

The Company follows Financial year starting from April 1 of every year and ending on March 31 of the following year.

### Dividend Payment

The Board of Directors of Company has declared a dividend of ₹9/- per share in its Board Meeting held on May 9, 2019.

Company will pay its dividend within 30 days of its approval in the Shareholders' Meeting.

Record Date for payment of dividend is mentioned in the notice convening the AGM.

### Listing on Stock Exchange

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

Stock Exchange	National Stock Exchange	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 of PNB Housing are listed on National Stock Exchange.

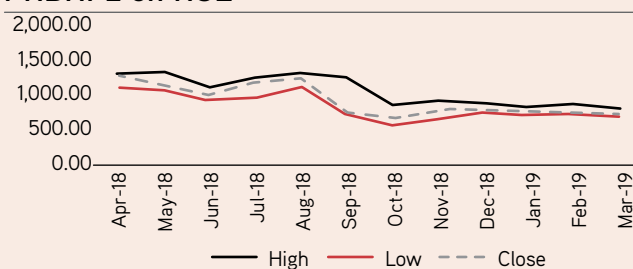
The Company confirms payment of Annual Listing fees of the NSE and the BSE for Financial year 2019-20.

### Stock Market Price Data

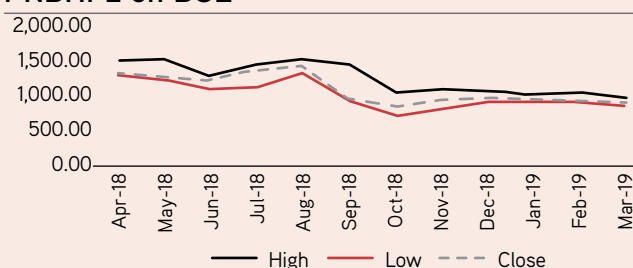
Month	NSE		BSE	
	High	Low	High	Low
Apr-18	1420.40	1219.70	1,421.50	1,221.50
May-18	1440.00	1183.00	1,444.00	1,188.20
Jun-18	1244.00	1051.00	1,244.00	1,051.00
Jul-18	1363.00	1083.35	1,366.00	1,085.15
Aug-18	1428.40	1243.00	1,428.50	1,245.00
Sep-18	1377.50	854.00	1,370.00	857.20
Oct-18	999.00	696.15	1,004.00	694.00
Nov-18	1038.95	795.60	1,039.70	796.55
Dec-18	1008.00	876.00	1,006.00	875.60
Jan-19	950.70	846.05	954.00	847.00
Feb-19	994.60	856.85	991.00	863.20
Mar-19	937.00	815.20	935.00	815.00

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

### PNBHFL on NSE



### PNBHFL on BSE



### Performance of the Company in comparison to broad base indices

Chart base to 100

### PNBHFL vs Nifty

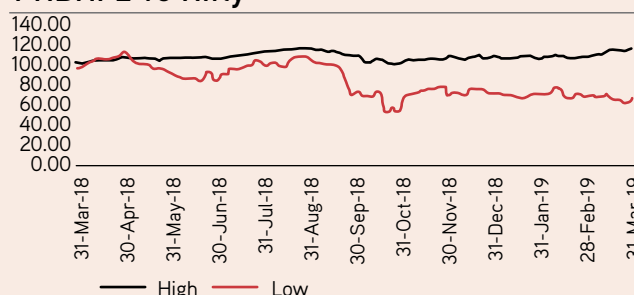
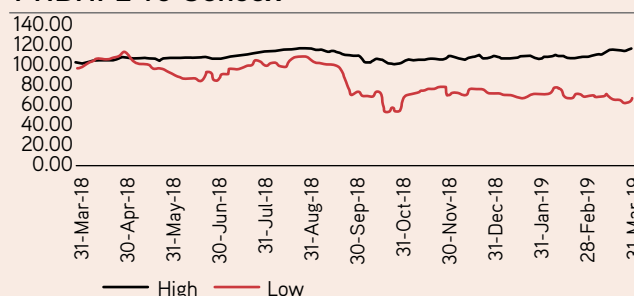


Chart base to 100

### PNBHFL vs Sensex



### 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**

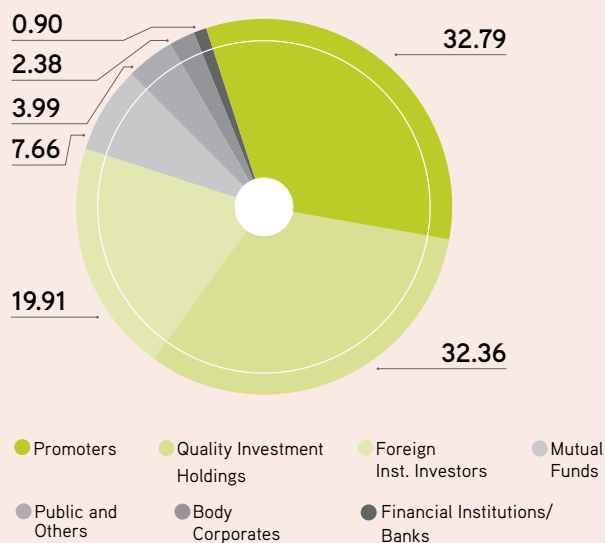
All the equity shares of the Company are held in Dematerialised form except 16 shares which are held in physical form. The shares are electronically traded in the Depository. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records.

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 30, 2019**

Sr. No.	Shareholding of Nominal Value (₹)	No. of Share Holders	% of Total	Share Amount (₹)	% of Total Share Amount
1	1 to 5000	89983	97.95	30942440.00	1.85
2	5001 to 10000	777	0.85	5677360.00	0.34
3	10001 to 20000	452	0.49	6559490.00	0.39
4	20001 to 30000	192	0.21	4786440.00	0.29
5	30001 to 40000	80	0.09	2835580.00	0.17
6	40001 to 50000	49	0.05	2233820.00	0.13
7	50001 to 100000	121	0.13	8525020.00	0.51
8	100001 to *****	213	0.23	1613130010.00	96.32
<b>Total</b>		<b>91867</b>	<b>100.00</b>	<b>1674690160.00</b>	<b>100.00</b>

Face Value (₹) : 10 NSDL Data as of : March 30, 2019 CDSL Data as of : March 30, 2019

**Shareholding Pattern as on March 30, 2019 (%)**



**DEMATERIALISATION OF SHARES AND LIQUIDITY**

Equity Shares of the Company are traded under compulsory dematerialised 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	No. of options granted	No. of options exercised	Exercise Price (in ₹)	No. of options lapsed	Outstanding options as on March 31, 2019
April 22, 2016	3807690	1826707	338.00	300682	1680301
August 30, 2017	405700	0	1600.60	1,00,000	305700
February 23, 2018	1,00,000	0	1206.35	0	1,00,000
July 27, 2018	136485	0	1333.35	25300	111185
July 27, 2018	1815000	0	1333.35	105700	1709300
July 27, 2018	235000	0	1333.35	36000	199000
March 19, 2019	181200	0	847.40	9800	171400

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

**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

During FY 2018-19, 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.

**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)

**B R MAHESWARI & CO LLP**  
CHARTERED ACCOUNTANTS

M – 118, Connaught Circus,  
New Delhi – 110001  
Phones: +91 (11) 4340 2222  
+91 (11) 2341 7659  
+91 (11) 2341 8130  
Fax: +91 (11) 2341 8130  
Email: brmc@brmco.com

**Independent Auditors' Certificate on  
Corporate Governance**

**To the Members of  
PNB Housing Finance Limited**

We have examined the compliance of conditions of Corporate Governance by **PNB Housing Finance Limited** ("the Company") for the year ended on March 31<sup>st</sup>, 2019, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations.

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

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001035N/N500050

**Sudhir Maheshwari**  
**Partner**  
Membership No: 081075

Place: New Delhi  
Date: May 9<sup>th</sup>, 2019

# SANJAY GROVER & ASSOCIATES

## COMPANY SECRETARIES

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B-88, 1<sup>ST</sup> Floor, Defence Colony, New Delhi – 110 024  
Tel.: (011) 4679 0000, Fax: (011) 4679 0012  
e-mail: [contact@cssanjaygrover.in](mailto:contact@cssanjaygrover.in)  
Website: [www.cssanjaygrover.in](http://www.cssanjaygrover.in)

### **Secretarial Compliance Report** **PNB Housing Finance Limited** **for the year ended 31 March, 2019**

I, Sanjay Grover, Managing Partner of M/s Sanjay Grover & Associates have examined:

- (a) all the documents and records made available to me 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 **31 March, 2019** (“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 (SEBI LODR Regulations);
- (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;
- (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;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, I hereby report that, during the Review Period:

\*No event took place under these regulations during the audit 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 Secretary Company
1.	Regulation 29(1)(d) of SEBI LODR	<u>Prior intimation</u> to the stock exchanges was not given for the board meeting held on August 09, 2018 for issuance of secured and unsecured non-convertible debentures aggregating upto an amount Rs. 7,000 crore in tranches	The intimation to stock exchanges were given <u>as a outcome of Board meeting</u> for issuance of secured and unsecured non-convertible debentures, though prior intimation to the stock exchanges about the meeting of Board of Directors should have been given
2.	Regulation 60(2) of SEBI LODR	<p>The Company has not given advance 7 (Seven) working days notice of record date to Stock exchange for redemption of Non-convertible debentures of Series - XVII A</p> <p>The Company has not given advance 7 (Seven) working days notice of record date to Stock exchange for payment of interest and principal of Non-convertible debentures of series XXXIX and XLII</p>	<p>The record date fixed for redemption of Non-convertible debentures of Series -XVII A was January 16, 2019, however the Company has intimated the same to stock exchanges on January 09, 2019 which should have been intimated to stock exchanges in advance of atleast seven working days from the record date.</p> <p>The Company has fixed March 04, 2019 as record date for payment of interest and principal of Non-convertible debentures of series XXXIX and February 28, 2019 as record date for payment of interest and principal of Non-convertible debentures of series XLII and both of record dates were intimated to stock exchanges on February 22, 2019 which should have been intimated to stock exchanges in advance of atleast seven working days from the record date.</p>



- 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 examination of those records.
- 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.
1	None			

- d) The listed entity has taken the following actions to comply with the observations made in previous reports: **This being the first reporting since the notification of the requirement to submit this report, reporting on actions to comply with the observations made in previous reports is not applicable.**

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

New Delhi  
May 28, 2019

Sanjay Grover  
Managing Partner  
CP No.: 3850, M.No. 4223

# SANJAY GROVER & ASSOCIATES

## COMPANY SECRETARIES

B-88, 1<sup>ST</sup> Floor, Defence Colony, New Delhi – 110 024

Tel.: (011) 4679 0000, Fax: (011) 4679 0012

e-mail: [contact@cssanjaygrover.in](mailto:contact@cssanjaygrover.in)

Website: [www.cssanjaygrover.in](http://www.cssanjaygrover.in)

### 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**

9<sup>th</sup> Floor, Antriksh Bhawan,

22 K G Marg, New Delhi-110001

1. That PNB Housing Finance Limited (CIN: L65922DL1988PLC033856) is having registered office at 9<sup>th</sup> Floor, Antriksh Bhawan, 22 K G Marg, New Delhi-110001 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 31<sup>st</sup> March, 2019 the Board of Directors of the Company comprises of the following directors:

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Nilesh Shivji Vikamsey	00031213
2.	Shital Kumar Jain	00047474
3.	Ashwani Kumar Gupta	00108678
4.	Chandrasekaran Ramakrishnan	00580842
5.	Shubhalakshmi Aamod Panse	02599310
6.	Sanjaya Gupta	02939128
7.	Gourav Vallabh	02972748
8.	Sunil Kaul	05102910
9.	Sunil Mehta	07430460
10.	Venkata Prabhakar Lingam	08110715

**NOTE:** Mr. Neeraj Madan Vyas (07053788) was appointed as an Independent Director on the Board of the Company w.e.f. April 15, 2019

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal ([www.mca.gov.in](http://www.mca.gov.in)), we certify as under:
  - None of the above named Directors on the Board of the Company 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 such statutory authority for the Financial Year ending 31<sup>st</sup> March, 2019.
5. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This certificate is based on the information and records available up to date of this certificate and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

Sanjay Grover  
Managing Partner  
CP No.:3850

New Delhi  
May 25, 2019