

DIRECTORS' REPORT

Your directors welcome the Shareholders and take pleasure in presenting the 35th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023.

FINANCIAL RESULTS (CONSOLIDATED)

| Particulars | (₹ in crore) | |
|--|-----------------|-----------------|
| | March 31 2023 | March 31 2022 |
| Total Income | 6,529.66 | 6,200.73 |
| Total expenditure | 5,168.75 | 5,116.77 |
| Profit before tax | 1,360.91 | 1,083.96 |
| Less: Provision for Tax | | |
| - Current year | 87.78 | 249.15 |
| - Deferred Tax | 227.13 | (1.67) |
| Profit After Tax | 1,046.00 | 836.48 |
| Other Comprehensive income (OCI) | 77.06 | 97.30 |
| Total Comprehensive income for the year | 1,123.06 | 933.78 |
| Transfer to Statutory / Special reserves | 212.00 | 165.00 |
| Balance carried to balance sheet | 911.06 | 768.78 |

The standalone and the consolidated financial statements for the Financial Year ended March 31, 2023, forming part of this annual report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the National Housing Bank Act, 1987 as amended from time to time, the Master Directions Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 ('RBI Directions') as amended from time to time and the RBI circular DOR.CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 on "Scale Based Regulation (SBR), a revised regulatory framework for NBFCs.

The Net Interest Income for financial year 2023 stood at ₹2,345.54 crore as compared to ₹1,868.92 crore, registering an increase of 26% year on year. The Pre provision Operating Profit increased by 24% to ₹2,052.19 crore from ₹1,660.32 crore.

The Credit cost including write offs for financial year 2023 was ₹691.28 crore registering an increase of 20% year on year.

The Spread on loans for financial year 2023 stood at 2.81% as compared to 2.12%. Net Interest Margin for financial year 2023 stood at 3.73% as compared to 2.80%. Gross Margin, net of acquisition cost for financial year 2023, was at 4.06% as compared to 3.16%. Return on Assets for financial year 2023 was at 1.61% as compared to 1.24%. Return on Equity for financial year 2023 was at 9.98% as compared to 8.92%.

During the year, the Company has transferred a sum of ₹45.00 crore to Special Reserve and a sum of ₹167.00 crore to the Statutory Reserves.

Capital Adequacy Ratio (CRAR)

The Capital Adequacy Ratio (CRAR) as on March 31, 2023 was 24.43% (comprising Tier I capital of 22.40% and Tier II capital of 2.03%). The Reserve Bank of India (RBI) has prescribed minimum CRAR of 15% of total risk weighted assets.

DIVIDEND

In order to conserve capital, your directors have not recommended any dividend for the year (Previous year nil). The dividend distribution policy is available on the website of the Company and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>.

RIGHTS ISSUE

The Board of Directors on March 9, 2022 had authorized the Company for Rights Issue up to ₹2,500 crore. On March 28, 2023 the Board approved issue of 9,06,81,828 fully paid-up Equity Shares each for amount aggregating up to ₹2,493.76 crore. The Board fixed issue price of ₹275 per fully paid-up Equity Share (including a premium of ₹265 per Equity Share).

The Record date for Rights share eligibility was April 05, 2023. The issue opened for subscription on April 13, 2023 and closed for subscription on April 27, 2023. The Board allotted 9,06,81,828 fully paid-up Equity Shares each for amount aggregating up to ₹2,493.76 crore. Pursuant to the allotment, the paid-up equity share capital of the Company has increased from ₹1,68,86,18,680 comprising of 16,88,61,868 fully paid-up Equity Shares of ₹10 each to ₹2,59,54,36,960 comprising of 25,95,43,696 fully paid-up Equity Shares of ₹10.

The promoter, PNB subscribed ₹498.75 crore as per RBI approval dated June 2, 2022. Post Rights issue, promoter's shareholding in the Company is 28.15% (32.52% as on March 31, 2023).

Your Board wish to thank all the shareholders for the good response to the Rights issue, which was oversubscribed by around 1.21 times.

LENDING OPERATIONS

The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and is engaged in financing purchase and construction of residential houses, loan against property and loan for other related purposes. All other activities revolve around the main business.

During the year, the Company has sanctioned loans amounting to ₹23,564 crore in respect of 71,839 loan applications, as compared to ₹17,495 crore in respect to 57,360 loan applications in the previous year, growth of 25% in number of loan applications sanctioned and 35% growth in loan sanctioned amount.

During the year, the Company has disbursed loans amounting to ₹14,965 crore as compared to ₹11,246 crore in the previous year, a growth of 33%.



During the year, the Company has accelerated growth with focus on retail loans which contributed 99% of total disbursements. The Company has built a separate affordable loan vertical called 'Roshni' with dedicated sales, credit, collection, and operation. The target ticket size of a loan under Roshni is ₹15-17 lakh. The affordable loan segment presence was expanded to 82 branches/outreaches in more than 150 districts. This segment will be one of the focus areas going forward.

Company's digital onboarding platform ACE was enhanced for improving distribution and customer experience. The Company has robust underwriting, monitoring, collection and risk management practices.

Loan Assets

Loan Assets as on March 31, 2023 were ₹59,273 crore as compared to ₹57,895 crore as on March 31, 2022 registering an increase of 2%. With focus on retail segment, during the year, the Company's retail loan book has grown by 10% from ₹50,520 crore to ₹55,471 crore, whereas the corporate loan book has declined by 48% from ₹7,375 crore to ₹3,802 crore. The retail book constitutes around 94% of the Loan Assets as on March 31, 2023.

The Assets Under Management (including securitized loan book) as on March 31, 2023 were ₹66,617 crore as compared to ₹66,983 crore as at March 31, 2022, a decline of 1% YoY.

Further details on lending operations are provided in the Management Discussion and Analysis Report.

Asset Quality

The overall Gross Non-performing Assets (GNPAs), declined by 430 bps to 3.83% as on March 31, 2023 as compared to 8.13% as on March 31, 2022. The retail and corporate GNPAs declined to 2.57% and 22.25% respectively as on March 31, 2023 as compared to 3.89% and 37.13% respectively as on March 31, 2022.

The overall Net Non-performing Assets (NNPAs), declined to 2.76% as on March 31, 2023 as compared to 5.06% as on March 31, 2022. The retail and corporate NNPAs declined to 1.74% and 18.24% respectively as on March 31, 2023 as compared to 2.85% and 20.21% respectively as on March 31, 2022.

The overall ECL provision coverage as on March 31, 2023 was 2.42% (retail loans 1.74% and corporate loans 12.28%).

PMAY Subsidy

During the year, the Company disbursed subsidy under PMAY scheme in 11,424 accounts with a sanction value of ₹2,140.44 crore. The total subsidy transferred to the beneficiary accounts amounted to ₹296 crore.

DISTRIBUTION

During the year, the Company expanded its branch network to 189 branches/outreaches (including 82 affordable loan branches/outreaches) an increase from 137 branches/outreaches (including 24 affordable loan branches/outreaches)

as on March 31, 2022. Majority of new branches were opened in tier II and tier III cities to expand affordable loan business.

The Company has 22 underwriting hubs for credit decision making.

BORROWINGS

The outstanding borrowings as on March 31, 2023 were ₹53,651 crore as compared to ₹53,005 crore as on March 31, 2022. During the year, the Company has raised fresh resources of ₹24,451 crore from multiple sources.

Details of market borrowings are provided in the Management Discussion and Analysis Report and Notes to Accounts.

The Company is in compliance with the provisions of Chapter XI of RBI Master Directions for issue of Non-Convertible Debentures on Private Placement basis. The Company has been regular in payment of principal and interest on the Non-Convertible Debentures.

DEPOSITS

The Company has accepted public deposits as per RBI Directions as amended from time to time, erstwhile National Housing Bank Directions, 2010 and as per the provisions of the Act. The Company has paid/accrued interest on all the outstanding deposits on due dates. There has been no default on repayment of deposits or payment of interest thereon during the year.

The outstanding deposits (including accrued interest) as on March 31, 2023 were ₹17,247.90 crore (including intercorporate deposits of ₹1,722.54 crore) as against ₹17,687.05 crore (including inter-corporate deposits of ₹2,665.19 crore) outstanding as on March 31 2022, registering a decline of 2%. The Company has raised ₹6,068 crore of fresh deposits during the year.

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

Investment in SLR

The Company has maintained its Statutory Liquid Ratio (SLR) as stipulated under RBI Directions. The Company was having total SLR investments of ₹2,299.17 crore as on March 31, 2023. The Company has classified its SLR investments as per RBI Directions.

Unclaimed Deposits and NCDs

Out of the deposits which became due for repayment up to March 31, 2023, deposits worth ₹29.94 crore, including interest accrued and due relating to 1,575 depositors had not been claimed or renewed. The Depositors have been intimated regarding the maturity of their deposits with a request to either renew or claim the deposits and subsequent reminders have been sent.

Deposits remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government under section 125 of the Act. During the year, the Company has transferred an amount of ₹14.13 lakh to IEPF. The concerned depositors can claim the deposit from the IEPF.

During the year, there was no NCDs unpaid, remaining unclaimed after its due date. The Company is not required to maintain debenture redemption reserve on privately placed NCDs.

CREDIT RATING

During the year, ICRA, CRISIL and India Ratings upgraded the Company's rating outlook to 'Stable' from 'Negative'. The Company is rated AA 'Stable' from all the major rating agencies i.e. CARE, CRISIL, ICRA and India Ratings.

The credit rating on deposits, term loans, NCDs and commercial paper and migration during the year is disclosed in the General Shareholder Information- Annexure to Director's Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT, REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and directions issued by the Reserve Bank of India, the Management Discussion and Analysis Report (MD&A) and the Report of the Directors on Corporate Governance form part of this report.

In accordance with the Listing Regulations, Business Responsibility and Sustainability Report (BRSR) also forms part of Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The total amount allocated for CSR activities for financial year 2023 was ₹18.76 crore (including for PHFL Home Loans and Services Limited). Out of this, the amount spent was ₹11.76 crore on various CSR activities. A sum of ₹7.00 crore was transferred to Unspent CSR Account to carry out ongoing CSR activities.

Peel Foundation (wholly owned subsidiary) is the implementation arm of the Company for CSR activities along with other partnering agencies.

During the year, the Company focused on healthcare initiatives to strengthen healthcare infrastructure across multiple locations, continued supporting projects for the welfare of construction workers, enabling access to formal education by strengthening school infrastructure, water conservation, livelihood generation for women and persons with disability.

Healthcare: Strengthening of Primary Health Centers, infrastructure at Community Health Centers, Eye Hospital, Govt. hospital for sick Newborn Care Unit, Operation of mobile medical care units, ambulance operation etc.

Education: Setting e-learning infrastructure in Govt. schools, STEM learning in Govt. schools, supported tribal school with digital learning, scholarship programs for the underprivileged, smart anganwadis, PNB Housing Finance Ki Paathshaala- a transformation project in Govt. School.

Environmental: Jal Khushhali, water conservation project, solar electrification in Govt. schools, providing safe drinking water in villages, setting community based sustainable drinking water systems, plastic waste management project.

Women Empowerment: Promoting women owned spice and snacks units, setting sanitary napkin manufacturing units, skill development of artisans in carpet sector, developed skill-based livelihoods of women.

The details are captured in Annexure 2 to Directors Report on CSR activities.

HUMAN RESOURCE

As on March 31, 2023 the Company had 1,690 full time employees on its rolls. There were 10 employees employed throughout the year, who were in receipt of remuneration of ₹1.02 crore or more per annum or receipt of remuneration of ₹8.5 lakh or more per month. The remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, excluding perquisite value of ESOPs exercised and ex-gratia amount.

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees are set out in the annex to the Directors' report. In terms of the provisions of Section 136(1) of the Act read with the rule, the Directors' report is being sent to all Shareholders of the Company excluding the annexure. Any Shareholder interested in obtaining a copy of the annexure may write to the Company.

Further, disclosures on managerial remuneration are provided in Annexure 1 appended to the Directors' Report. On-boarding of key positions and vacant positions at all levels across locations were made to ensure uninterrupted business operations.

The Learning and Development (L&D) team implemented a learning roadmap for employees on techno-functional and behavioural skills. The L&D team provided physical as well as virtual learning interventions for existing employees and new joiners.

Chief Financial Officer (CFO)

The Board appointed Mr Vinay Gupta as CFO with effect from October 26, 2022. Mr Kaushal Mithani was interim CFO from April 8, 2022 to August 23 2022 post resignation of Mr Kapish Jain as CFO with effect from April 7, 2022.

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

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

The Company on a regular basis sensitises its employees including subsidiary employees on the prevention of



sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes. During the year, one complaint was received by the Committee, which is under investigation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is a housing finance company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Act. As regards, investments made by the Company, the details of the same are provided in notes to the financial statements of the Company for the year ended March 31, 2023.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the provisions of Section 188 of the Act and rules made thereunder, the transactions with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC-2 of the Companies (Accounts) Rules, 2014, are annexed to this report. Details of related party transactions are given in the Notes to Accounts. The Policy on Related Party Transactions is published elsewhere in the Annual Report and is also placed on the Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' given in the above rules since the Company is engaged in providing housing loans. However, the Company understands the importance of energy conservation for the environment and this is covered under Environment, Social and Governance (ESG) section.

There were no foreign exchange earnings, and the Company has incurred foreign exchange expenditure of ₹235.74 crore during the year primarily on account of interest on borrowings from external sources.

Business Continuity

The Company has a Business Continuity Plan (BCP), designed to minimise operational, financial, legal, reputational, and other material consequences arising from a disaster.

The Business Continuity & Disaster Recovery policy at PNB Housing Finance is developed with intent to prevent, contain, and respond to potential disruptions that may impact the continuity of business/support processes performed by PNB Housing Finance, along with ensuring safety of PNB Housing Finance employees.

We have implemented multi-layered controls for identification, prevention, detection, and response to various cyber security threats we face today. We have applied safeguards for protection of customer information. We have framed information security policy, cyber security policy and cloud security policy to support information security management system and to protect business information at network, endpoint, perimeter, application, and human layer.

MAINTENANCE OF COST RECORDS

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

UNCLAIMED DIVIDEND

As on March 31, 2023, dividend amounting to ₹7.07 lakh had not been claimed by Shareholders of the Company. The Company has been informing these Shareholders to claim unclaimed dividend.

EMPLOYEES STOCK OPTION SCHEME & RSU SCHEME

During the year, 2,44,572 Equity Shares of ₹10 each were allotted on exercise of ESOP options under ESOP Scheme 2016 and 2018. Further, 12,691 Equity Shares of ₹10 each were allotted on exercise of RSUs under RSU Scheme 2020.

Grant of fresh ESOS & RSUs

During the year, the Nomination and Remuneration Committee has granted 14,78,559 ESOPs under ESOP Scheme 2016 and 2020.

(6,78,559 options were granted at ₹345.30, 25,000 options at ₹345.20, 5,75,000 options at ₹444.05 and 2,00,000 options at ₹431.20).

During the year, the Nomination and Remuneration Committee has granted 25,000 RSUs under RSU Scheme 2020 at ₹10 per option.

There has been no variation in the terms of the options granted under any of these schemes and all the schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended. The certificate from the Secretarial Auditors confirming that ESOS Schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Shareholder's resolutions has been obtained and will be available for inspection of the Shareholders at the ensuing Annual General Meeting ('AGM'). The Nomination and Remuneration Committee monitors the compliance of these Schemes. The disclosures as required under the regulations have been placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/updates-events/>.

REGULATORY INTERVENTIONS

The RBI vide circular dated September 30, 2022 has classified PNB Housing Finance in Upper Layer (NBFC-UL) category under Scale Based Regulation (SBR) for NBFCs issued on October 22, 2021.

The Companies classified under NBFC-UL are required to implement a comprehensive scale based regulatory framework covering internal capital adequacy assessment process (ICAAP), common equity Tier I, leverage, differential standard asset provisioning, concentration of credit and investment, sensitive sector exposure, large exposure framework, restriction on loans to directors, their relatives and senior officers, enhanced disclosure in annual report, core financial services etc.

The RBI has issued following circulars under scale-based regulation (SBR) for NBFC-UL in Financial year 2022.

Compliance function and role of Chief Compliance Officer (April 11), restriction on loans and advances to directors and senior officers (April 19), capital requirements (April 19), large exposure framework (April 19), disclosure in financial statements-Notes to Accounts (April 19), compensation of KMPs and senior management (April 29) and provisioning for standard assets (June 06).

The Company has requisite policies in compliance with NBFC-UL requirements and is in compliance with the various circulars issued by RBI for NBFC-UL.

Regulatory Compliance

The Company has implemented RBI Directions as amended from time to time and other directions/guidelines prescribed by RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms, guidelines on maintenance of Liquidity Coverage Ratio (LCR), transfer of loans and know your customer and anti-money laundering.

During the year, the Company has not made any application and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). The Company has not entered into one-time settlement for any loans availed from the Banks or Financial Institutions.

POLICIES AND CODES

During the year, the Company has revised its policies as required in terms of provisions of the Act, RBI Directions, Listing Regulations and Insider Trading Regulations issued by the SEBI and placed all the statutory policies on its website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

DIRECTORS

During the financial year, the Board on the recommendation of Nomination and Remuneration Committee made the following appointments of Directors.

- a) Mr. Atul Kumar Goel (DIN: 07266897) was appointed Non-Executive Nominee Director with effect from April 28, 2022. The appointment was approved by the shareholders in the 34th AGM on July 26, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.

- b) Mr. Girish Kousgi (DIN: 08524205) was appointed Managing Director & CEO with effect from October 21, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022 for a term of 4 years effective October 21, 2022. He is not liable to retire by rotation.
- c) Mr. Pavan Kaushal (DIN: 07117387) was appointed Independent Director with effect from October 27, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022 for a term of 3 years effective October 27, 2022. He is not liable to retire by rotation.
- d) Mr. Dilip Kumar Jain (DIN: 06822012) was appointed Non-Executive Nominee Director with effect from November 04, 2022. The appointment was approved by the shareholders through postal ballot on December 22, 2022. He is nominee of Punjab National Bank and is liable to retire by rotation.

During the year, following Directors have resigned from the Board or completed their term.

- a) Mr. Ashwani Kumar Gupta (DIN 00108678) completed his five years term as an Independent Director on May 11, 2022.
- b) Mr. Hardayal Prasad (DIN: 08024303) resigned as Managing Director & CEO with effect from October 20, 2022.
- c) Mr. Binod Kumar (DIN 07361689) resigned as Non-Executive Director with effect from October 21, 2022. He was nominee of Punjab National Bank.

Your Board wishes to place on record its sincere appreciation for the contributions made by these directors on the Board and also on various Committees of the Board.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Sunil Kaul and Mr. Atul Kumar Goel will retire by rotation at the ensuing AGM. They are eligible for re-appointment and your Board recommends their re-appointment.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act. The Company has also received a certificate from the Practising Company Secretary confirming that none of the directors have been debarred or disqualified.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of Independence laid down in the Act and Listing Regulations as amended.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, and expertise. All the Independent Directors of the Company have registered their names with the data bank created for Independent Directors.



The details on the number of Board/ Committee Meetings held are provided in the Corporate Governance Report, which forms part of this report.

The evaluation of the Board, its committees and individual Directors was carried out in terms of the provisions of the Act and Listing Regulations. (Refer Corporate Governance Report).

STATUTORY AUDITORS

The Reserve Bank of India has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) on April 27, 2022.

The Shareholders in the 33rd AGM have appointed M/s. T R Chadha & Co, LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N500028) and M/s. Singhi & Co., Chartered Accountants (ICAI Firm Registration No. 302049E) as the Joint Statutory Auditors of the Company for a period of three years from the conclusion of 33rd Annual General Meeting till the conclusion of the 36th AGM of the Company.

During the year, the Statutory Auditors were paid remuneration of ₹1.08 crore (The subsidiaries Statutory Auditor was paid remuneration of ₹0.09 crore). The remuneration pertains to fees for audit, internal financial control reporting, limited reviews, tax audits and taxation services, certifications and other matters and reimbursement of expenses.

In addition, the Statutory Auditors were paid fees in relation to the Rights Issue related services amounting to ₹0.65 crore (excluding applicable taxes).

During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Act. Therefore, no details are required to be disclosed under Section 134 (3) (ca) of the Act.

The Statutory Auditors have confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

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

Secretarial Audit Report forms part to Directors Report as annexure. The Secretarial Compliance Report forms part of the Annual Report.

During the year, the Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, your directors state that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed;
- b) Accounting policies selected have been applied consistently. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis;
- e) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of the Company's business.

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

EXTRACTS OF ANNUAL RETURN

The Annual Return in Form MGT-7 as on March 31, 2023 is available on the website of the Company at <https://www.pnbhousing.com/investor-relations/annual-reports/>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year, there were no significant or material orders passed by the regulators or courts or tribunals that would impact the going concern status or operations of the Company in the future.

Settlement Order passed by SEBI

A settlement application was filed on Suo motto basis with SEBI on January 17, 2022 on behalf of the Company and its directors, in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Regulations"), seeking settlement of all the matters that may arise in connection with Preferential Issue of Equity Shares for an aggregate amount of ₹4,000 crore, without admitting or denying the findings of fact or conclusions of law. Pursuant to completion of the requirements under the Settlement Regulations, SEBI has notified a Settlement Order dated July 18, 2022. The Company paid settlement amount of ₹72.76 lakh to SEBI including the legal expenses of ₹44.27 lakh.

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

There has been no material change or commitment, affecting the financial position of the Company which has occurred between the close of the Financial Year 2023 to which the financial statement relates and the date of the Report.

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

PHFL Home Loans and Services Limited (PHFL)

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

During the year, the PHFL has sourced loan applications in respect of 74% of total loans disbursed by PNB Housing Finance. The annual accounts of PHFL are enclosed along with the Annual Accounts of PNB Housing Finance.

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

Pehel Foundation

It is a wholly owned non-profit subsidiary Company incorporated under Section 8 of the Act. It is an implementation arm to carry out various CSR activities of PNB Housing Finance and PHFL.

ACKNOWLEDGEMENTS

The Directors place on record their gratitude for the support of various regulatory authorities including Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, Ministry of Housing and Urban Affairs, Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), the Stock Exchanges and the Depositories.

The Company acknowledges the role of all its key stakeholders - Shareholders, borrowers, channel partners, depositors, deposit agents, lenders and Registrar for their continued support.

The Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period.

For and on behalf of the Board

Girish Kousgi
Managing Director & CEO

Atul Kumar Goel
Non-Executive Director

Place: New Delhi
Date: June 22, 2023



ANNEXURE TO DIRECTORS' REPORT - 1

DISCLOSURES ON MANAGERIAL REMUNERATION:

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:

Ratio of remuneration of each Director to the median employees' remuneration for FY 2022-23:

| Name | Designation | Ratio of remuneration to the median employees' remuneration |
|---------------------------------|--|---|
| Mr. Atul Kumar Goel | Non-Executive Nominee Director (appointed w.e.f April 28, 2022) | - |
| Mr. Sunil Kaul | Non-Executive Nominee Director | - |
| Mr. Ramakrishnan Chandrasekaran | Independent Director | - |
| Mr. Nilesh S Vikamsey | Independent Director | - |
| Dr Tejendra Mohan Bhasin | Independent Director | - |
| Mr. Sudarshan Sen | Independent Director | - |
| Mr. Kapil Modi | Non-Executive Nominee Director | - |
| Ms. Gita Nayyar | Independent Director | - |
| Mr. Neeraj Vyas | Non-Executive Director | - |
| Mr. Girish Kousgi | Managing Director & CEO (appointed w.e.f October 21, 2022) | 25.6:1 |
| Mr. Pavan Kaushal | Independent Director (appointed w.e.f October 27, 2022) | - |
| Mr. Dilip Kumar Jain | Non-Executive Nominee Director (appointed w.e.f November 04, 2022) | - |
| Past directors | | |
| Mr. Ashwani Kumar Gupta | Independent Director (ceased w.e.f May 11, 2022) | - |
| Mr. Hardayal Prasad | Managing Director & CEO (ceased w.e.f October 20, 2022) | 26.3:1 |
| Mr. Binod Kumar | Non-Executive Nominee Director (resigned w.e.f October 21, 2022) | - |

2. Percentage increase in the remuneration of the Managing Director, Chief Financial Officer and Company Secretary, if any, in the financial year 2022-23; During the year, there was no increase in remuneration of Managing Director & CEO and of Chief Financial Officer. There was 10% increase in remuneration of Company Secretary.
3. The performance linked bonus paid in FY 2022-23: During the year, the Company Secretary was paid an amount ₹14.48 lakh.

Note: Mr. Hardayal Prasad, was paid ₹2.50 crore as ex-gratia amount in lieu of performance bonus for the previous financial year 2021-22, pro-rata performance bonus for the services rendered till the exit date during the financial year 2022-23, salary in lieu of 90 days' notice period as ex-gratia and goodwill payment as additional ex-gratia.

- a. First tranche: ₹1.25 crore was paid in FY 2023.
- b. Second tranche: ₹1.25 crore was paid in FY 2024.
- c. The percentage increase in the median remuneration of employees in the financial year 2022-23 stood at 10%
- d. The Company has 1690 permanent employees as on March 31, 2023.
- e. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the remuneration of managerial personnel stood at 10% and non-managerial personnel was 10%.

The average increase in the remuneration of both the managerial and non-managerial personnel is determined based on the overall performance of the Company and as per the remuneration policy. Further, the criteria for increasing salary of non-managerial personnel is based on an internal evaluation of Key Performance Indicators (KPIs), while for managerial personnel it is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The remuneration of key managerial personnel is based on the overall performance of the Company. The Company further reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

ANNEXURE TO DIRECTORS' REPORT - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on the CSR Policy of the Company

The CSR Policy of the Company is designed to ensure effective and sustained CSR programme to manifest in the form of a progressive, socially responsible and enlightened attitude. Company's policies on CSR are oriented towards stakeholder-participation approach, where the target groups are seen as stakeholders in the community whose well-being is integral to the long-term success of the Company and not a charity-oriented approach. The Company through its CSR initiatives enables the marginalized community to be empowered and become self-reliant. We have built a sustainable business model and created value for our stakeholders. We are aiming to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

The Company has adopted CSR Policy approved by CSR Committee and the Board of Directors, in accordance with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

The CSR Policy of the Company is based on following guiding principles:

- Sustainability
- Transparency
- Accountability
- Employee Engagement
- ESG Framework
- Non-discriminatory

The broad framework for CSR initiatives to be undertaken by the Company would be as per section 135 and schedule VII of Companies Act, 2013 as amended. The focus areas for CSR initiatives are:

- Healthcare
- Education
- Welfare of construction workers and skill development
- Women empowerment
- Environmental sustainability and water conservation

2. Composition of CSR Committee

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--|-------------------------------------|--|--|
| 1. | Dr Tejendra Mohan Bhasin | Chairman Independent Director | 4 | 4 |
| 2. | Mr. Ramakrishnan Chandrasekaran | Independent Director | 4 | 4 |
| 3. | Mr. Sudarshan Sen | Independent Director | 4 | 3 |
| 4. | Mr. Girish Kousgi w.e.f Oct. 21, 2022 | Managing Director & CEO | 2 | 2 |
| 5. | Mr. Hardayal Prasad (ceased Oct. 20, 2022) | Past MD & CEO | 2 | 2 |

3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

| | |
|---|---|
| Web-link of CSR Committee composition | https://www.pnbhousing.com/wp-content/uploads/2020/08/Board-Committees.pdf |
| Weblink of CSR Policy | pnbhousing.com/wp-content/uploads/2020/02/PNB-Housing-CSR-policy-2020.pdf |
| Weblink of CSR projects approved by the Board | pnbhousing.com/wp-content/uploads/2023/04/PNBHFL-List-of-CSR-Projects-FY-22-23.pdf |



4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Pursuant to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, PNB Housing Finance has conducted the impact assessments of the following CSR projects to monitor and evaluate its strategic CSR programs.

| Sl. No. | Project Name | Location | NGO Partner | Project Amount |
|---------|--|---|---------------------------|----------------|
| 1 | Promoting research and innovation in health care at AIIMS New Delhi | New Delhi | AIIMS New Delhi | 3,60,40,032 |
| 2 | a. Setting up a 20 bedded ICU Facility b. Setting up a 50 bedded ICU Facility | Raipur, Chhattisgarh Palwal, Haryana | American India Foundation | 2,31,07,350 |
| 3 | Supporting day care centres for children of construction workers | Multiple locations | Mobile Creches | 1,13,86,631 |
| 4 | Provide 3D Printer for Prosthetics to NIEPMD through Altem Technologies at Chennai | Chennai | NIEPMED | 2,47,71,545 |

The detailed executive summary of the impact assessment can be accessed at Annexure 2A and Company's website at www.pnbhousing.com.

5. (a) Average Net Profit of the Company as per Section 135(5)

The average Net Profit of the Company as per Section 135(5) for financial year 2022-23 is ₹889.77 crore.

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

₹17.80 crore is the two percent of the average Net Profit.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

There was no surplus amount arising from the CSR projects or programmes or activities that were carried out in the previous financial year.

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

There was no amount set off for the financial year.

(e) Total CSR obligation for the financial year (5b+5c-5d).

The total CSR obligation for the financial year 2022-23 is ₹17.80 crore.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

The total amount spent on CSR projects (both ongoing and other than ongoing project) in financial year 2022-23 is ₹10.85 crore.

(b) Amount spent in Administrative Overheads:

₹0.54 crore was spent in Administrative Overheads during the financial year 2022-23.

(c) Amount spent on Impact Assessment, if applicable:

No amount has been spent on impact assessment during the financial year 2022-23.

(d) Total amount spent for the Financial Year (6a+6b+6c).

Total amount spent in financial year 2022-23 is ₹11.39 crore.

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount spent for the Financial Year. (In ₹) | Amount Unspent (In ₹) | | | | |
|---|---|------------------|--|--------|------------------|
| | Total amount transferred to unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| ₹11.39 crore | ₹6.41 crore | April 29, 2023 | - | - | - |

(f) Excess amount for set off, if any: NA

| Sl. No | Particulars | Amount (₹ in crore) |
|--------|---|---------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 17.80 |
| (ii) | Total amount spent for the Financial Year | 11.39 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if Any |
|--------|-----------------------------|--|--|---|---|------------------|---|--------------------|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY-1 (March 31, 2022) | Nil | NA | NA | NA | NA | NA | NA |
| 2 | FY-2 (March 31, 2021) | Nil | NA | NA | NA | NA | NA | NA |
| 3 | FY-3 (March 31, 2020) | Nil | NA | NA | NA | NA | NA | NA |

8. (a) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: (see note below)

(b) If yes, enter the number of Capital assets created/ acquired:

Note: The Company has not created or acquired any capital assets directly from CSR amount spent in FY 22-23. However, following assets have been created by the partners/vendors of the implementing agency, Peהל Foundation.

(c) Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|----------------------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Snack production unit | 313801 | 25/03/23 | 7,91,561 | CSR00000074 | Manjari Foundation | Paduna Chowki, Gram Panchayat Bhawan Pass Paduna, Girwa, Udaipur |
| 2 | Pickles production unit | 263160 | 17/01/23 | 4,72,236 | CSR00000074 | Manjari Foundation | Durgapur no. 02, Near Kids Paradise School, Dineshpur Road Rudrapur Ultrakhand, |
| 3 | Sanitary Napkin production unit | 226201 | 30/12/22 | 32,00,160 | CSR00006306 | The Desai Foundation Trust | Sahbhagi Shikshan Trust, Chhatha Meel, behind Police Fire Station, Sitapur Road, Lucknow-226 201, Uttar Pradesh. |
| 4 | Sanitary Napkin production unit | 396385 | 07/02/23 | 32,00,160 | CSR00006306 | The Desai Foundation Trust | Shantaben Vidhyabhavan, At & Po. Untdi, Via Dungri, Ta & Dist. Valsad-396 385, Gujarat. |



| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|--------------|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 5 | Solar Electrification in Government Secondary School, Hazipur GSS, Silani GSS, Harchandpur GSS, Dhaula GPS, Kiranki khedli GPS, Johlaka GMS, Kuliya GPS, Chamanpura GPS, Badashapur Tenther GPS, Mandawar | 122103 | 31/03/23 | 42,50,000 | NA | Govt Schools | Sohna, Gurgram, Haryana Following are the schools: Government Secondary School, Hazipur GSS, Silani GSS, Harchandpur GSS, Dhaula GPS, Kiranki khedli GPS, Johlaka GMS, Kuliya GPS, Chamanpura GPS, Badashapur Tenther GPS, Mandawar |
| 6 | Solar Electrification in GGMS, Patherheri GMS, Mubarikpur GMS, Judola GGMS, Patli GMS, Fazilpur Badli GMS, Sultanpur GMS, Kherki Majra | 122506 | 31/03/23 | 29,75,000 | NA | Govt Schools | Farrukhna gar, Gurgram, Haryana Following are the schools: GGMS, Patherheri GMS, Mubarikpur GMS, Judola GGMS, Patli GMS, Fazilpur Badli GMS, Sultanpur GMS, Kherki Majra |
| 7 | Solar Electrification in Composite School, Maharajpur Inter Balika College, Prakash Industrial Estate | 221712 | 31/03/23 | 8,50,000 | NA | Govt Schools | Ghaziabad, UP- Following are the schools: Composite School, Maharajpur Inter Balika College, Prakash Industrial Estate |
| 8 | Solar Electrification in Dayawati Modi Kanya JHS, Sikari | 201204 | 31/03/23 | 4,25,000 | NA | Govt Schools | Modinagar, UP Dayawati Modi Kanya JHS, Sikari |
| 9 | E-Learning support in GMPS Sector-5 GMSPS RR Camp GMPS Sector-15, Part-1 GMPS Bal No.1 Girls GMPS Sector-14 GMPS New Colony GMSPS Islampur GMSPS Shivji Park | 122001 | 31/03/23 | 6,78,912 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Sector-5 GMSPS RR Camp GMPS Sector-15, Part-1 GMPS Bal No.1 Girls GMPS Sector-14 GMPS New Colony GMSPS Islampur GMSPS Shivji Park |
| 10 | E-Learning support in GMPS DLF Phase-1 GMPS Chakkarpur GMSPS Sikanderpur Ghosi | 122002 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS DLF Phase-1 GMPS Chakkarpur GMSPS Sikanderpur Ghosi |
| 11 | E-Learning support in GMPS Dhanwapur GMPS Gwal Pahari GMPS Wazirabad Boys | 122003 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Dhanwapur GMPS Gwal Pahari GMPS Wazirabad Boys |
| 12 | E-Learning support in GMSPS Khandsa | 122004 | 31/03/23 | 84,864 | NA | Govt Schools | Gurgaon, Haryana GMSPS Khandsa |
| 13 | E-Learning support in GMPS Gurugram Village GMPS Basai GMPS Panchawali GGSSS Jacobpura | 122006 | 31/03/23 | 3,39,456 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMPS Gurugram Village GMPS Basai GMPS Panchawali GGSSS Jacobpura |
| 14 | E-Learning support in GMPS Dundahera | 122016 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Dundahera, Gurgaon, Haryana |

| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|--|--------------------------------------|------------------|----------------------------|---|--------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 15 | E-Learning support in GMSPS Bajghera GMSPS Carterpuri | 122017 | 31/03/23 | 1,41,550 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Bajghera GMSPS Carterpuri |
| 16 | E-Learning support in GMSPS Sushant Lok C2 | 122022 | 31/03/23 | 70,775 | NA | Govt Schools | GMSPS Sushant Lok C2, Gurgaon Haryana |
| 17 | E-Learning support in GMSPS Kasan Boys GMPS Manesar GGMSPS Manesar | 122051 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Kasan Boys GMPS Manesar GGMSPS Manesar |
| 18 | E-Learning support in GMSPS Naharpur Rupa GMSS Kasan Naharpur Boys | 122052 | 31/03/23 | 1,69,728 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Naharpur Rupa GMSS Kasan Naharpur Boys |
| 19 | E-Learning support in GMSPS Kadipur GMPS Fazilpur Jharsa GMSPS Badshahpur Boys | 122101 | 31/03/23 | 2,54,592 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Kadipur GMPS Fazilpur Jharsa GMSPS Badshahpur Boys |
| 20 | E-Learning support in GMS Kuliyaka | 122102 | 31/03/23 | 84,864 | NA | Govt Schools | GMS Kuliyaka Gurgaon, Haryana |
| 21 | E-Learning support in GSSS Harchand Pur GSSS Dhaula GSSS Hazipur GPS Mandawar | 122103 | 31/03/23 | 3,39,456 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GSSS Harchand Pur GSSS Dhaula GSSS Hazipur GPS Mandawar |
| 22 | E-Learning support in GMSPS Wazirpur GMSPS Dhani Shadrana GMSPS Nawada Fatehpur GMSPS Mankrola GMSPS Dhankot | 122505 | 31/03/23 | 4,24,320 | NA | Govt Schools | Gurgaon, Haryana Following are the schools: GMSPS Wazirpur GMSPS Dhani Shadrana GMSPS Nawada Fatehpur GMSPS Mankrola GMSPS Dhankot |
| 23 | E-Learning support in GMPS Farrukh Nagar Boys | 122506 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Farrukh Nagar Boys Gurgaon, Haryana |
| 24 | E-Learning support in GMPS Nathupur | 122029 | 31/03/23 | 84,864 | NA | Govt Schools | GMPS Nathupur Gurgaon, Haryana |
| 25 | E-Learning support in GMSPS Mubarikpur | 122202 | 31/03/23 | 84,864 | NA | Govt Schools | GMSPS Mubarikpur Gurgaon, Haryana |
| 26 | Handlooms unit and Tin Shade set up | 303804 | 15/11/23 | 1,94,817 | NA | Gopi Ram | Gopiram Raigar ka ghar, gred ke pas raigaro ka mohalla, Tigariya, tah. Chomu, Jaipur Rajasthan 303804 |
| 27 | Handlooms unit and Tin Shade set up | 303807 | 15/11/23 | 3,59,459 | NA | Mangali Devi | Moolchand Raigar ka ghar, Raigaron ka mohalla, Udaipuriya, Chomu, Jaipur, Rajasthan 303807 |
| 28 | Handlooms unit and Tin Shade set up | 303601 | 15/11/23 | 1,58,682 | NA | Kanta Devi | Mohanlal kuldeep ka ghar, raigaro ka mohalla, Amarsar, tahsil Shahpura, Jaipur Rajasthan 303601 |
| 29 | Handlooms unit and Tin Shade set up | 303601 | 15/11/23 | 3,79,870 | NA | Mamta Devi | Shankarlal Mohanpuria ka ghar, raigaro ka mohalla, Hanutpura tah. Shahpura, Jaipur, Rajasthan 303601 |



| Sl. No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|--------|---|--------------------------------------|------------------|----------------------------|---|-------------------------------------|--|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 30 | Handlooms unit and Tin Shade set up | 303103 | 15/11/23 | 1,07,484 | | Manju Devi | Prakashchand Chandoliya ka ghar, Raigaron ka mohalla, Barijori, tah. ghar, Raigaron ka mohalla, Barijori, tah. Shahpura, Jaipur Rajasthan 303103 Shahpura, Jaipur Rajasthan 303103 |
| 31 | Handlooms unit and Tin Shade set up | 303803 | 15/11/23 | 1,78,943 | NA | Arti Devi | Makkhanlal Raigar ka ghar, Raigaro ka mohalla Govindpura Basri, tah. Shahpura, Jaipur Rajasthan 303803 |
| 32 | Handlooms unit and Tin Shade set up | 303804 | 15/11/23 | 1,09,837 | NA | Sharvani Devi | Kanaram kuldeep ka ghar, Raigaro ka mohalla, Daya, Tigariya, tah. Chomu, Jaipur Rajasthan 303804 |
| 33 | Ward no 8, Ambedkar Park, Farrukhnagar, Dist. Gurugram, Haryana | 122506 | 16/03/23 | 29,26,350 | NA | Ambedkar Sabha Farrukhnagar | Ward no 8, Chand Nagar Road, Farrukhnagar, Dist Gurugram, Haryana-122506 |
| 34 | Devi Shakti Geeta Saar Mandir, 21, Old Railway Rd, Bhim Nagar, Sector 6, Gurugram, Haryana | 122006 | 07/02/23 | 29,26,350 | NA | Devi Shakti Geeta Saar Mandir Trust | 21, Old Railway Rd, Bhim Nagar, Sector 6, Gurugram, Haryana, 122006 |
| 35 | Geeta Bhavan, New colony, Gurugram, Haryana | 122001 | 09/02/23 | 29,26,350 | NA | Shri Sanatan Dharam Sabha (regd) | Geeta Bhavan, New colony, Gurugram, Haryana - 122001 |
| 36 | Medical equipment and Infrastructure support to 2 CHC | 382110 | 31/03/23 | 10,48,973 | NA | (Medical Superintendent) | Referral Hospital and Community Health Centre, Sanand, Ahmedabad, Gujarat |
| 37 | Medical equipment and Infrastructure support to 2 CHC | 382460 | 31/03/23 | 42,06,040 | NA | (Medical Superintendent) | Referral Hospital and Community Health Centre, Dhandhuka, Ahmedabad, Gujarat |
| 38 | Solar Power Panel set up in 2 govt. school | 122103 | 31/03/23 | 15,00,000 | NA | Govt Schools | Atta and Kiranj village in Nuh Haryana |
| 39 | Solar Power Panel set up in 1 govt. school | 301406 | 31/03/23 | 7,50,000 | NA | Govt Schools | Khareda village in Alwar Rajasthan. |

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

New project(s) / program(s) of on-going nature were identified and launched during the FY on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

Date: June 22, 2023

Place: New Delhi

Girish Kousgi

Managing Director & CEO

Dr Tejendra Mohan Bhasin

Chairman CSR Committee

ANNEXURE-2A

SUMMARY OF IMPACT ASSESSMENTS CONDUCTED

Name of Project – Promoting research and innovation in health care at AIIMS New Delhi

Name of Partner-AIIMS Delhi

Project Timeline: FY20-21

Project Cost: ₹3,60,40,000

About the Project: The Neurosurgery Education and Training School (NETS) at All India Institute of Medical Sciences (AIIMS), New Delhi, was supported with Stratasy's J750 digital anatomy printer, which allows printing of anatomical structures with properties similar to real tissues. The state-of-the-art 3D printer allows the printing of anatomical structures with haptic properties similar to real tissues.

Need: The project was designed to tackle the challenges faced by the NETS lab: 1. Reduced availability of cadavers due to COVID 2. Ethical Concerns 3. High cost of synthetic cadavers 4. Mismatch between human anatomy and synthetic cadavers.

Objective: 1. To enable medical practitioners to create prototypes of human anatomy using 3D Printer 2. To help surgeons reduce the surgery time and help them analyse the case before operating a patient 3. To train surgeons in a safe repeatable and controlled environment.

Impact Evaluated: Total of 62 doctors from AIIMS from Neurosurgery, Surgery, Dental, Orthopedics and ENT have been trained so far. 6 doctors from Madhya Pradesh and Telangana have benefitted by training. The initiative supported by PNB Housing Finance Limited has helped in: 1. Training surgeons in safe and controlled environment 2. Analysing cases before actually operating them, leading to less error while operating 3. Reducing surgery time. 939 Sessions have been conducted for surgeons on high-speed drilling, neuro-endoscopy simulations, and micro neurosurgery simulations.

Name of Project: Setting up a 20 bedded ICU Facility in Raipur, Chhattisgarh and 50 bedded ICU Facility in Palwal, Haryana

Name of Partner-American India Foundation

Project Timeline: FY 21-22

Project Cost: ₹2,31,07,350

About the Project: India experienced a massive surge in COVID-19 cases, particularly during the second wave in early 2021. The rapid increase in infections overwhelmed the healthcare infrastructure, including hospitals, ICU beds, and medical resources. PNB Housing Finance Limited and its implementation partner American India Foundation (AIF), in response to need for hospital beds, provided 50 and 20 beds of portable units at Palwal and Raipur district hospitals.

Need: The surge in covid cases led to a shortage of hospital beds, particularly in the worst-affected regions. Many hospitals reached full capacity, making accommodating all COVID-19 patients requiring hospitalisation challenging.

Objective: 1. To provide additional capacity of beds in hospitals to accommodate the increased number of COVID-19. 2. To strengthen the medical infrastructure overwhelmed with COVID-19 cases.

Impact Evaluated: 500+ patients' footfall at both health care facilities. 20 years of lifetime of the equipment. 4 patients can be treated on each bed per month 3360 patients can be treated each year.

Name of the Project: Supporting day care centres for children of construction workers

Name of Partner: Mobile Creche

Project Timeline: FY20-21

Project Cost: ₹1,13,86,631

About the Project: The Mobile Creche project is an initiative providing childcare services to construction workers and other vulnerable communities at construction sites across India. It aims to address the challenges faced by migrant workers who often have limited access to safe and affordable childcare facilities. PNB Housing Finance has supported the Mobile Creche project as part of its Corporate Social Responsibility (CSR) initiatives. Through its CSR program, PNB Housing Finance has extended financial assistance and other resources to the Mobile Creches project to establish and operate mobile creches at construction sites.

Need: Approximately 20 million children under the age of six live in poverty in urban India. Parents of such children are primarily daily wage labourers without additional benefits or social security from their employers or government. PNB Housing Finance Limited, through its mobile creche initiative, aims to improve the overall well-being and development of children from marginalised communities by addressing their childcare needs.



Objective: 1. To ensure the safety and well-being of construction workers' children while they are away for work. 2. To provide early childhood education to support their overall development. 3. To ensure that children of construction workers receive nutritious meals.

Impact Evaluated: 70% of the respondents' children accessed the creche facility for all weekdays. 90% of the respondents mentioned that their children received 3 meals a day. Growth monitoring was undertaken regularly, 92% of the respondents were aware of the medical consultation provided at the creche facility, 84% of the respondents affirmed that their children receive educational support, medical support such as deworming, immunisation and health supplements were provided to children, 78% of the respondents have observed the benefits of the facility in terms of the child's growth.

Name of the Project: Provide 3D Printer for Prosthetics to NIEPMD through Altem Technologies at Chennai

Name of Partner: NIEPMD, Chennai

Project Timeline: FY 21-22

Project Cost: ₹2,47,71,545

About the Project: 3D printing and scanning technology aims to facilitate and reduce the delivery time in terms of easy beneficiary-specific data collection, reduced fabrication time, minimising human errors, scientifically designed & developed, lightweight and more cosmetic appealing aids and assistive devices which will ultimately improve user satisfaction and more acceptance of such devices. The introduced technology helps not only people with disabilities but also the staff associated with NIEPMD.

Need: While healthcare infrastructure in India has improved, access to quality healthcare remains challenging, particularly in rural areas. This can result in delayed or inadequate treatment for injuries, leading to the need for prosthetic solutions. Prosthetics can be crucial in restoring mobility and functionality for individuals with limb loss or limb impairment.

Objective: 1. To minimise human errors in developing prosthetics/ orthotics devices. 2. To provide more scientifically designed devices which are lightweight and appealing to people with disabilities. 3. To improve access to quality prosthetics/ orthotics in rural India.

Impact Evaluated: 40+ beneficiaries received support through this initiative, 100% of the beneficiaries received the rehabilitation devices free of cost. Average savings of ₹25,000 per unit. Lengthy fabrication time has been reduced after the introduction of 3D Printing technology, 80% of the respondents are satisfied with the quality of the rehabilitation device.

FORM MR -3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
PNB Housing Finance Limited
9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
New Delhi - 110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **PNB Housing Finance Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder circulars, guidelines issued thereunder by the Securities and Exchange Board of India;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations");
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;
 - (e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable**
 - (i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:
 - a) National Housing Bank Act, 1987 and the Guidelines and circulars issued thereunder from time to time;
 - b) Guidelines/Circulars/Regulations/Rules prescribed by the National Housing Bank for Housing Finance Companies as amended from time to time.
 - c) Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time.
 - d) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
 - e) Guidelines/Circulars/Regulations/Clarifications issued by RBI for HFCs from time to time.

We have also examined compliance with the applicable clauses/Regulations of the following:



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR), 2015"):

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

1. Consequent upon the cessation of Mr. Ashwani Kumar Gupta as the Independent Director ("ID") of the Company on completion of his first term of five consecutive-years on May 11, 2022, the Company had a shortfall of one Independent Director on its Board in terms of Regulation 17 of SEBI (LODR), 2015 till October 21, 2022.
2. The Company has made delay in intimation regarding fixation of record date under Regulation 60(2) of SEBI (LODR), 2015 for the maturity of Non-Convertible Debentures, which was required to be made on or before March 25, 2022.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors except as mentioned above with respect to Independent Director. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings. Agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained, if any) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has obtained the approval of shareholders in their Annual General Meeting held on July 26, 2022 for issuance of Non – Convertible Debentures of face value aggregating up to ₹12,000 Crore (Rupees Twelve Thousand crore) to eligible investors from time to time in one or more tranches.

2. The Company has allotted 2,57,263 Equity Shares of Face Value of ₹10 each fully paid up under ESOP and RSU Schemes of the Company.
3. Pursuant to the Board of Directors approval dated March 09, 2022 for issue of equity shares by way of rights issue ("Rights Issue") for an amount not exceeding ₹2500 crore, the Company had filed Letter of Offer on March 29, 2023. The issue opened for subscription on April 13, 2023, and closed on April 27, 2023. The rights issue was oversubscribed 1.21 times. The Board on May 4, 2023 approved the allotment of 9,06,81,828 fully paid-up equity shares at a price of ₹275 per equity share (including premium of ₹265 per equity share) aggregating to ₹2,493.76 crore to the eligible shareholders.
4. Approval of Restricted Stock Unit Scheme 2022 of the Company pursuant to shareholders approval in the Annual General Meeting held on July 26, 2022.
5. Approval of Employees Stock Option Scheme (ESOP Scheme III 2022) of the Company pursuant to shareholders approval in the Annual General Meeting held on July 26, 2022.
6. Mr. Kapish Jain resigned as Chief Financial Officer ("CFO") of the Company w.e.f. April 07, 2022. The Board designated Mr. Kaushal Mithani as the Interim CFO of the Company w.e.f. April 08, 2022 and he resigned from the position of Interim CFO on August 23, 2022. The Board of Directors on October 07, 2022 approved the appointment of Mr. Vinay Gupta as CFO of the Company, and he joined the office from October 26, 2022.
7. Mr. Hardayal Prasad resigned as Managing Director and Chief Executive Officer of the Company w.e.f. October 20, 2022. The Board of Directors has appointed Mr. Girish Kousgi as Managing Director and Chief Executive Officer of the Company w.e.f. October 21, 2022.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Sd/-

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

Date: June 22, 2023

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

(ii) The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2023 pertaining to Financial Year 2022-23.

ANNEXURE-A

To,
The Members,
PNB Housing Finance Limited
9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
New Delhi - 110001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
Date: June 22, 2023



**SECRETARIAL COMPLIANCE REPORT OF PNB HOUSING FINANCE LIMITED
for the financial year ended March 31, 2023**

To,
The Board of Directors
PNB Housing Finance Limited
9th Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi – 110001

We Chandrasekaran Associates, Company Secretaries have examined:

- (a) All the documents and records made available to us and explanation provided by PNB Housing Finance Limited (“**the Listed Entity/Company**”),
- (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 financial year ended on March 31, 2023 (“**Review Period**”) in respect of compliance with the applicable 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 and include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations 2015**”);
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
- (d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **Not Applicable**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- (k) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company):

We have examined the compliance of above regulations, circulars, guidelines issued thereunder as applicable during the review period and based on confirmation received from management of the Company as and wherever required and affirm that:

| S. No. | Particulars | Compliance Status (Yes/No/NA) | Observations/Remarks by PCS |
|--------|---|-------------------------------|---|
| 1. | Secretarial Standard The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI). We have examined the Secretarial Standards issued by Institute of Company Secretaries of India and as notified by Ministry of Corporate Affairs. | Yes | |
| 2. | Adoption and timely updation of the Policies: a. All applicable policies under Securities Exchange Board of India ('SEBI') Regulations are adopted with the approval of Board of Directors of the listed entity. b. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI | Yes | |
| 3. | Maintenance and disclosures on Website: a. The listed entity is maintaining a functional website b. Timely dissemination of the documents/ information under a separate section on the website c. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website | Yes | |
| 4. | Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 | Yes | |
| 5. | To examine details related to Subsidiaries of listed entity: a) Identification of material subsidiary companies | NA | The Listed entity had identified that during the period under review, there was no Material Subsidiary Company. |
| | b) Requirements with respect to disclosure of material as well as other subsidiaries | Yes | |
| 6. | Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015 | Yes | |
| 7. | Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | |
| 8. | Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. | Yes | |
| | (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee. | N.A. | |
| 9. | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | |
| 10. | Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | |
| 11. | Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder with respect to the listed entity. | Yes | Except as mentioned at point (a) below. |
| 12. | Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation / circular /guidance note etc. | Yes | Except as mentioned at point (a) below. |



Further, based on the above examination, we hereby report, during the review period that:

- (a) The listed entity has generally complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| | |
|---|---|
| S. No | 1 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 17 |
| Deviations | The composition of the Board of Directors of the Company was not as per the Regulation 17 of the SEBI (LODR) Regulations, 2015. |
| Action Taken by | BSE and NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | The Board of Directors of the Company did not have requisite number of directors upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director ("ID") of the Company on May 11, 2022. The vacancy caused was not filled by the Board within 3 months from the date of such vacancy. |
| Fine Amount | BSE and NSE each imposed fine of ₹4,24,800 for not having the requisite number of IDs on its Board as on September 30, 2022 and for the period commencing from October 01, 2022 till October 21, 2022. |
| Observations/ Remarks of the Practicing Company Secretary | Consequent upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director of the Company on May 11, 2022, the Company had a shortfall of one Independent Director on its Board till October 20, 2022. |
| Management Response | The composition of the Board was in order with effect from October 21, 2022. The delay in appointment happened due to finding a suitable person as an Independent Director. |
| Remarks | - |

| | |
|---|---|
| S. No | 2 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 60 |
| Deviations | Delay in submission of intimation on or before March 25, 2022 of record date for the maturity of Non-Convertible Debentures. |
| Action Taken by | NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | Delay in submission of intimation of record date for the maturity of Non Convertible Debentures. |
| Fine Amount | ₹11,800 (inclusive of GST) |
| Observations/ Remarks of the Practicing Company Secretary | An intimation to be made on or before March 25, 2022 has been delayed for the submission of record date for the maturity of NCDs. |
| Management Response | The Company has made the representation for waiver in this regard. |
| Remarks | |

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

| | |
|---|---|
| S. No | 1 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 17 |
| Deviations | There was an intermittent vacancy of Independent Woman Director on the Board of Directors of the Company due to resignation of Ms. Shubhalakshmi Panse w.e.f. January 05, 2021 and there was no woman director on the board of the Company as on till May 28, 2021. |
| Action Taken by | BSE and NSE |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | Imposition of Fine |
| Details of Violation | Non – Compliance with Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1)(a) of the Listing Regulations |
| Fine Amount | ₹3,18,600 (including GST) |
| Observations/ Remarks of the Practicing Company Secretary | There was no woman Director in the Company w.e.f. January 05, 2021 and as on March 31, 2021 |
| Management Response | Ms Gita Nayyar was appointed on the board w.e.f May 29, 2021. The delay in appointment happened due to finding a suitable person as an independent director. |
| Remarks | - |
| S. No | 2 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI (LODR) Regulations, 2015 |
| Regulation/ Circular No. | Regulation 57(4) |
| Deviations | Delay in disclosures has been made by the Company under Regulation 57(4) of Listing Regulations for quarter ended December 2021. |
| Action Taken by | - |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | - |
| Details of Violation | Delay in disclosures has been made by the Company under Regulation 57(4) of SEBI (LODR) Regulations, 2015 for quarter ended December 2021. |
| Fine Amount | - |
| Observations/ Remarks of the Practicing Company Secretary | The Company has made delayed intimation in submission of the disclosures in terms of Regulation 57(4) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2021. |
| Management Response | It escaped the attention of the management and adequate safeguards have been developed for future. |
| Remarks | |



| | |
|---|--|
| S. No | 3 |
| Compliance Requirement (Regulations/circulars / guidelines including specific clause) | SEBI Circular |
| Regulation/ Circular No. | SEBI Circular No. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers |
| Deviations | Delay filing as required under SEBI Circular No. SEBI/HO/DDHS/CI R/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers. |
| Action Taken by | - |
| Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.) | - |
| Details of Violation | Delay filing as required under SEBI Circular No. SEBI/HO/DDHS/CI R/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers. |
| Fine Amount | - |
| Observations/ Remarks of the Practicing Company Secretary | The Company has made intimation beyond the prescribed timeline stated under SEBI Circular No. SEBI/HO/DDHS/CIR/ P/2019/115 dated October 22, 2019 read with FAQs issued by SEBI for listing of Commercial Papers. |
| Management Response | It escaped the attention of the management and adequate safeguards have been developed for future. |
| Remarks | During the period under review NSE vide notice dated September 29, 2022 imposed fine of ₹1,43,960 for delay in submission to stock exchanges during FY 2021-22, under 57 of SEBI (LODR), 2015 read with SEBI Circular No. SEBI/HO/DDHS/CIR/ P/2019/115 dated October 22, 2019. |

- (c) The listed entity has suitably included the conditions as mentioned in para 6(A) and 6(B) of the SEBI Circular CIR/CFD/ CMD1/114/2019 dated October 18, 2019 in terms of appointment of statutory auditor of the Listed entity.

For Chandrasekaran Associates

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 1428/2021

Sd/-

Shashikant Tiwari

Partner

Membership No. F11919

Certificate of Practice No. 13050

UDIN: F011919E000405323

Date: 29.05.2023

Place: Delhi

Notes: The management has confirmed that the records submitted to us are the true and correct. This certificate is limited to the Statutory Compliances on laws/ Regulations/ Guidelines listed in our certificate of which, the due date has been ended/ expired on or before March 31, 2023 pertaining to the Financial Year 2022-23.

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015**

The Members

PNB Housing Finance Limited

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

We have examined all relevant records of PNB Housing Finance Limited (“**the Company**”) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that consequent upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director of the Company on May 11, 2022, the Company had a shortfall of one Independent Director on its Board till October 20, 2022 as required under Regulation 17 of the SEBI LODR. Further, National Stock Exchange of India Limited and BSE Limited each imposed fine of ₹4,24,800 for not having the requisite number of Independent Directors on its Board as on September 30, 2022 and for the period commencing from October 01, 2022 till October 21, 2022 and as confirmed by the Management same has been paid by the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Sd/-

Shashikant Tiwari

Partner

Membership No. FCS 11919

Certificate of Practice No. 13050

Date: June 22, 2023

Place: Delhi

Note: The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2023 pertaining to Financial Year 2022-23.