

Report of Directors on Corporate Governance

Company's Philosophy on Corporate Governance

The spirit of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. Good corporate governance is the foundation of a company's long-term success. At PNB Housing, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. It ensures that the interests of all stakeholders like shareholders, employees, customers, suppliers, and the community are protected and balanced. For a company listed with the Securities and Exchange Board of India (SEBI), adherence to the highest standards of corporate governance is not only a regulatory requirement but also a strategic necessity. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. As a Company with a strong sense of values and commitment, PNB Housing believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

The core principles of good corporate governance include:

1. **Transparency:** Ensuring that the company's actions and decisions are clear and this involves accurate and timely disclosure of all material information related to the company's financial performance, operations, and ownership.
2. **Accountability:** Establishing a framework where the company's management is accountable to the Board of Directors, and the Board is accountable to the shareholders. Clear delineation of responsibilities and regular performance reviews are key components.
3. **Fairness:** Treating all stakeholders equitably and justly. This principle ensures that the rights of minority shareholders are protected and that all investors have access to the same information.
4. **Responsibility:** Ensuring that the company adheres to ethical standards and complies with all relevant laws and regulations. The Board oversees the company's strategic direction, risk management policies, and ethical conduct.

The Company practices ethical standards in all its dealings. The Company continues to maintain healthy relationship with its depositors, loan customers, business partners, its various other stakeholders and financiers. The Company transparently discloses information through its public documents, annual reports, financial results, etc.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions") and Master Direction RBI (Non- Banking Financial Company

-Scale Based Regulation), 2023 various circulars issued under Scale Based Regulation and other circulars and notifications issued by RBI, NHB, SEBI, MCA, IRDAI and other statutory bodies, as amended from time to time.

As permitted by MCA, the Board and its Committees have been functioning largely using virtual mode for its meetings. The Company has ensured adequate precautions while conducting audio video meetings. The technology interventions ensured that all the business activities were completed in time and the Board & Committee meetings were held in time. Dissemination of adequate and correct public information was ensured.

Board of Directors

The Board of Directors is integral to the governance framework of the company. The Board plays a crucial role in maintaining and enhancing corporate governance. The Board is responsible to oversee the Company's management and to protect the long-term interest of the stakeholders.

Skills / Expertise / Competencies of the Board of Directors

The Board should provide valuable leadership and guidance to the company. Their responsibilities encompass strategic oversight, risk management, financial integrity, ethical conduct and stakeholder engagement. By fulfilling these duties diligently, the Board ensures the company operates transparently, ethically and in the best interest of all stakeholders, thereby maintaining strong corporate governance.

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 challenging times.

The Company's Board members are with extensive experience in the financial sector, economics, mortgages, banking, non-banking financial companies, international operations, fintech regulation, currency management, risk management, credit and information technology, etc. The Directors are vastly qualified and have held leadership positions in high performing institutions. 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 secured loan industry. The brief profiles of Directors are given in the Annual Report.

Composition

As on March 31, 2024, the Company had twelve Members on the Board comprising six Independent Directors, five Non-Executive Directors and one Managing Director & CEO.

Appointment/Re-appointment/Resignation(s):

- The Shareholders have re-appointed Mr. Atul Kumar Goel, who retired by rotation and being eligible, had offered himself for re-appointment as a Non- Executive Nominee Director, at the Annual General Meeting of the Company held on August 10, 2023.
- The Shareholders have re-appointed Mr. Sunil Kaul, who retired by rotation and being eligible, had offered himself for re-appointment as a Non- Executive Nominee Director, at the Annual General Meeting of the Company held on August 10, 2023.
- Ms. Gita Nayyar has been re-appointed by the shareholders as an Independent Director on the Board of Company, through Postal Ballot, for the second tenure of five (5) consecutive years effective from May 29, 2024 to May 28, 2029.
- In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Kapil Modi and Mr. D K Jain will retire by rotation at the ensuing Annual General Meeting (AGM). They are eligible for

re-appointment and your Board has recommended for their re-appointment at the ensuing AGM.

- Mr. Neeraj Vyas , who is liable to retire by rotation, has been determined to be a fit and proper candidate by the Nomination & Remuneration Committee (NRC), for appointment as an Independent Director, and on the recommendations of the NRC, the Board has recommended to the members for his appointment as an Independent Director at the ensuing Annual General Meeting (AGM) and a proposal is placed before the members in the Notice of the AGM seeking appointment of Mr Neeraj Vyas as an independent Director of the Company for a tenure of three years.

For more details, please refer the Directors' Report and also the Notice of the Annual General Meeting together with the explanatory statement.

- None of the Independent Directors of the Company have resigned before the expiry of his/her tenure during the Financial Year 2023-24.

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 the Listing Regulations is given hereunder:

Sr. No.	Directors	Category	DIN	Name of Companies and Designation* ['L' stands for Listed 'UL' stands for Unlisted]	Number of Committees**		Skills/ Expertise
					Member	Chair-Person	
1.	Mr. Atul Kumar Goel	Non-Executive Director -Nominee Director from Punjab National Bank	07266897	<ol style="list-style-type: none"> PNB Housing Finance Limited (L) Punjab National Bank (L) – Managing Director and CEO The Oriental Insurance Company Limited (UL) – Non-Executive Director PNB Metlife India Insurance Co. Ltd (UL)- Non-Executive Director 	3	0	Mr. Atul Kumar Goel is the Managing Director & CEO of Punjab National Bank from February 1, 2022. Earlier, he was the Managing Director & CEO of UCO Bank, Executive Director of Union Bank of India and held various positions in Allahabad Bank. He is qualified Chartered Accountant, having more than three decades of banking experience, large corporate, treasury management, risk management, financial planning, investor relations, business transformation, compliance, etc. He was the Chief Financial Officer (CFO) of Allahabad Bank.
2.	Mr. Sunil Kaul	Non-Executive Director – Nominee Director from Quality Investment Holdings Pcc	05102910	<ol style="list-style-type: none"> PNB Housing Finance Limited (L) Yes Bank Limited (L)- Nominee Director 	2	0	Mr. Sunil Kaul is the Managing Director and Partner of Carlyle Singapore Investment Advisors Pte Limited. He heads the Southeast Asia region of the Carlyle Asia Buyout Advisory Team and concurrently leads the Financial Services Sector for the team in Asia (ex Japan). Before joining Carlyle 16 years ago, he was the President of Citibank Japan and the Chairman of CitiCards Japan KK and CitiFinancial Japan KK. In his previous roles with Citi, he was the Head of Retail Banking for Citibank in Asia, Head of International Personal Banking for Citibank in New York and Head of Global Transaction Services at Citibank, Japan. He has over 35 years of experience in the fields of private equity, corporate and consumer banking. He is a graduate of IIT Bombay and IIM Bangalore.

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					Member	Chair-Person	
3.	Mr. Nilesh S Vikamsey	Independent Director	00031213	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Thejo Engineering Limited (L) – Independent Director 3. Thomas Cook (India) Limited (L) – Independent Director 4. Allcargo Gati Limited (L) – Independent Director 5. Allcargo Logistics Limited - (UL) – Independent Director 6. 360 One Wam Limited (UL) – Independent Director and Non-Executive Chairman 7. SOTC Travel Limited (UL) – Independent Director 8. Nippon Life India Trustee Limited (UL)-Independent Director 	10	5	Mr. Nilesh Vikamsey is a member of the Institute of Chartered Accountants of India (ICAI) since 1985 and is the former President of the ICAI. He has been associated with KKC & Associates LLP as a senior partner since 1985. He has extensive experience in Audit and consultancy of banks, large companies, mutual funds, and financial service sector companies
4.	Mr. R Chandrasekaran	Independent Director	00580842	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. L&T Technology Services Ltd. (L) – Independent Director 3. LTI Mindtree Limited (L) – Independent Director 4. Aujas Cybersecurity Limited (UL) – Director 5. NSEIT Limited (UL) – Director 6. KSL Digital Ventures Limited (UL) – Director 	3	1	Mr. Chandrasekaran was one of the co-founders of Cognizant. He retired as the Executive Vice Chairman of Cognizant India in March 2019. He has been widely recognised as a significant contributor to the growth of Cognizant, including its global footprint. Prior to joining Cognizant, he was with Tata Consultancy Services for over nine years. He has 38 years of experience in the field of information technology.
5.	Mr. Neeraj Vyas	Non-Executive Director	07053788	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 	1	0	Mr. Neeraj Vyas superannuated as the Deputy Managing Director and Chief Operating Officer (COO) of the State Bank of India (SBI) on June 30, 2018. He has handled several assignments for SBI in India and abroad. He is a senior banking professional with over 37 years of experience across a wide range of functions, such as banking, credit, mortgages, risk management and operations. Mr. Vyas is Non-Executive Director since September 1, 2020. Earlier, he was Independent Director on the Board from April 15, 2019 till April 28, 2020. He was appointed as interim Managing Director & CEO of the Company from April 28, 2020 till August 10, 2020.

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					Member	Chair-Person	
6.	Dr. T.M. Bhasin	Independent Director	03091429	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. PNB Gilts Limited (L)- Independent Director 3. SBI Cards and Payment Services Limited (L)- Independent Director 4. Patanjali Foods Limited (L) - Independent Director 5. SBI Life Insurance Company Limited (L)- Independent Director 	8	3	<p>Dr. T. M. Bhasin has been a career Banker for 37 years with notable roles such as Chairman and Managing Director of Indian Bank from 2010 to 2015. Dr. Bhasin was appointed as Vigilance Commissioner of India by Hon'ble President of India in CVC from June 2015 to June 2019 and has also chaired the Advisory Board for Banking and Financial Frauds (constituted by CVC and RBI) from August 2019 to August 2023.</p> <p>Dr. Bhasin holds an MBA in Finance from FMS, Delhi, LL.B. from Delhi University, CAIIB, and M.Sc. Gold Medallist. A Delhi University topper in its one year flagship programme in 'Criminology and Forensic Science', he is a fellow of the Indian Institute of Banking and Finance. He also completed the Advanced Financial Enterprises Management Programme at Harvard Kennedy School (US). His Doctoral Research findings and recommendations formed the basis of Pradhan Mantri Jan Dhan Yojana. Dr. Bhasin is a prolific author with a book on 'E-Commerce in Indian Banking' and has numerous research papers to his credit.</p>
7.	Mr. Sudarshan Sen	Independent Director	03570051	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Federal Bank Ltd. (L) - Independent Director 3. Asset Reconstruction Company (India) Limited (UL)- Additional Director (Sponser Director) 	3	0	<p>Mr. Sudarshan Sen superannuated from the Reserve Bank of India as Executive Director in charge of the Regulation of Banks and Non-Banking Financial Companies. In a career spanning over 38 years, he worked in banking regulation, bank supervision, fintech regulation, human resources, information technology, and currency management. He has been on several major national and international committees constituted by the RBI.</p>
8.	Mr. Kapil Modi	Non-Executive Director - Nominee Director from Quality Investment Holdings Pcc	07055408	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Nxtra Data Limited (UL)- Non-Executive Nominee Director 3. Hexaware Technologies Limited (UL)- Non-Executive Nominee Director 	2	0	<p>Mr. Kapil Modi is a Managing Director and Partner at Carlyle India Advisors Private Limited and is part of the Investment Team of Carlyle India for over 16 years. He holds a B. Tech degree in Computer Science (silver medallist) from IIT Kharagpur and is a postgraduate in Management (gold medallist) from IIM Ahmedabad. He also holds CFA from CFA Institute (USA) and a Master's degree in Business Law from National Law School, Bengaluru.</p>
9.	Ms. Gita Nayyar	Independent Director	07128438	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. Oriental Hotels Limited (L)- Independent Director 3. Transport Corporation of India Limited (L)- Independent Director 4. Glenmark Life Sciences Limited (L)- Independent Director (upto April 22, 2024) 5. Taj Sats Air Catering Limited (UL) - Independent Director 6. Ask Investment Managers Limited (UL)- Additional Independent Director 	5	2	<p>Ms. Gita Nayyar is a finance professional with over 32 years of global leadership experience with MNC banks/VC funds and corporates. She has expertise in corporate banking, risk and relationship management, investment banking, wealth management and fundraising. She is also recognised for her expertise in angel investing/mentoring and advising early-stage ventures. She serves as an Independent Director on the board of reputed corporate organisations.</p>

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					Member	Chair-Person	
10.	Mr. Pavan Kaushal	Independent Director	07117387	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) Lendingkart Finance Limited (UL) – Non-Executive Director Asset Reconstruction Company (India) Limited (UL) – Independent Director and Chairman of the Board 	1	0	Mr. Pavan Kaushal has over 34 years of experience in the financial services sector in various positions. Previously, he was associated with Fullerton India Credit Company Limited as the Chief Operating Officer and IDFC First Bank Limited as Group Executive President in the Risk Department. He is a member of the Institute of Chartered Accountants of India since 1985 and holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies.
11.	Mr. Dilip Kumar Jain	Non-Executive Director - Nominee Director from Punjab National Bank	06822012	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) India SME Asset Reconstruction Company Limited (UL)- Nominee Director 	1	0	Mr. Dilip Kumar Jain has over 28 years of experience in various fields in the banking industry. He carries with him several years of banking experience in various senior positions at Punjab National Bank. He is currently the CFO of Punjab National Bank in the rank of Chief General Manager. He is a member of the Institute of Chartered Accountants of India since 1989.
12.	Mr. Girish Kousgi	Managing Director & CEO	08524205	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) PHFL Home Loans and Services Limited (UL)- Director 	1	0	Mr. Girish Kousgi is the Managing Director and Chief Executive Officer of the Company. He has over 26 years of experience in the financial services sector. Previously, he was associated with Can Fin Homes Limited as the Managing Director and Chief Executive Officer, Tata Capital Financial Services Limited as Head Retail – Credit & Risk, IDFC Bank Limited as Executive Vice President and ICICI Bank Limited as joint General Manager. He is also serving as a director on the Boards of the subsidiaries of PNB Housing Finance Ltd., namely PHFL Home Loans and Services Limited and PEHEL Foundation. He holds an executive master's diploma in Business Administration from the Indian Institute of Commerce and Trade.

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

**Audit Committee and Stakeholders Relationship Committee only.

Disclosure of relationships between Directors inter-se;

None of the Board of Directors are related inter-se except for the nominee Directors.

Number of shares and convertible instruments held by non- executive directors

None of the Board of Directors hold shares of the Company except Ms. Gita Nayyar and Mr. Pavan Kaushal who hold 8,936 and 1,000 shares, respectively as on date.

The details of shareholding of Directors are disclosed in MGT-7 form available on the website of the Company at <https://www.pnbhousing.com/investors/updates-and-events>.

Responsibilities

The Board is responsible for the Company's long-term strategic planning and direction. Its primary objectives include enhancing long-term shareholder value, safeguarding the interests of all stakeholders, and providing strategic guidance to the management. The Board operates through various Committees, with specific terms of reference. These Committees closely monitor the Company's performance.

The Board periodically reviews the Company's overall performance. The Board also engages in proactive risk assessment and mitigation, ensuring that the Company remains resilient in a dynamic business environment. Furthermore, it fosters transparency by communicating with shareholders and other stakeholders, promoting ethical practices, and upholding corporate governance standards.

Role of Independent Directors

Company's Independent Directors are distinguished individuals from diverse fields, including banking, finance, accountancy, economics, credit, risk management, and information technology. They hold pivotal roles on the Board and its various Committees. These Directors provide valuable insights to the Board, aiding in strategic decision-making.

The Independent Directors ensure thorough discussions on all matters presented to the Board and its Committees, arriving at decisions that serve the Company's best interests. Among them, an Independent Director assumes the role of Chairman on key Committees, such as the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and IT Strategy Committee.

All Board Committees operate within well-defined terms of reference, adhering to the Companies Act, 2013, Listing Regulations and RBI Master Directions and RBI Scale Based Regulations. Furthermore, all Independent Directors meet the criteria set forth by the Listing Regulations and other applicable laws, maintaining independence from the Company's management.

The Independent Directors are not liable to retire by rotation. Formal letters of appointment were issued to the Independent Directors in accordance with 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.

During the year under review, the Board met thirteen times i.e., April 7, 2023, May 4, 2023, May 18, 2023, June 22, 2023, June 29, 2023, July 24, 2023, August 1, 2023, October 23, 2023, October 31, 2023, November 24, 2023, January 24, 2024, January 30, 2024 and March 4, 2024. The attendance of the Directors at the Board Meetings and the 35th Annual General Meeting held on August 10, 2023 are listed below:

Sr. No.	Directors	Board Meetings	Attendance at the 35 th AGM	Sitting fee paid (₹)
1.	Mr. Atul Kumar Goel	11	Yes	-
2.	Mr. Sunil Kaul	12	Yes	-
3.	Mr. R Chandrasekaran	12	Yes	12,00,000
4.	Mr. Nilesh S Vikamsey	9	Yes	9,00,000
5.	Mr. Neeraj Vyas	13	Yes	13,00,000
6.	Dr. T.M. Bhasin	13	Yes	13,00,000
7.	Mr. Sudarshan Sen	12	Yes	12,00,000
8.	Mr. Kapil Modi	12	Yes	-
9.	Ms. Gita Nayyar	11	Yes	11,00,000
10.	Mr. Girish Kousgi	13	Yes	-
11.	Mr. Pavan Kaushal	13	Yes	13,00,000
12.	Mr. Dilip Kumar Jain	9	Yes	-

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

Familiarisation Programme

The primary objective of a familiarization program is to ensure that Non-Executive Directors stay informed about the business and regulatory environment, as well as the overall operations of the Company. This knowledge enables them to make well-informed decisions in the best interest of all stakeholders. All Independent Directors have participated in a familiarization program covering various aspects of the Company, including its business environment, competitors, Regulatory updates, Expected Credit Loss, Corporate Governance, technology, internal controls, risk management, etc.

The Company has a policy on familiarisation programme for the independent directors, which is placed on the website of the Company www.pnbhousing.com. An overview of the familiarisation programme during the year has been placed on the Company's website and can be accessed <https://www.pnbhousing.com/investors/disclosures-u-r-46-and-62-of-sebi-lodr>

Board Meetings

In terms of the circular/notification(s) issued by the Ministry of Corporate Affairs (MCA) from time to time, the Company has been conducting the Meetings of the Board and Board Committees, in electronic mode duly recording the proceedings and following the applicable Rules for Meetings.

The Board meets at least once in a quarter to review the Company's quarterly performance and financial results. The Company Secretary, in consultation with the Managing Director & CEO prepares the detailed agenda for the Meetings. The detailed Board agenda is circulated to the Directors 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 on 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.

Committees of the Board

The Board has delegated powers to various Committees, each of which has specific responsibilities as per the provisions of the Companies Act, 2013, the Listing Regulations, RBI Master Directions and Scale Based Regulations. The minutes of all Committee Meetings are recorded in the minute book maintained by the Company Secretary and presented to the Board for noting.

All the recommendations of the board committees were accepted by the Board while conveying discussions in the Board Meetings.

The various Board Committees, their roles and their members are given below.

a. Audit Committee

The charter of the Audit Committee is as per section 177 of the Companies Act, 2013, RBI Master Directions, Scale Based Regulations and the Listing Regulations, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company. The main role of the Audit Committee are provided below;

- a) It assists the Board in fulfilling its oversight responsibilities for the financial reporting process to regulatory authorities and public. It oversees the system of internal control, the audit process and company's process for monitoring compliance with laws and regulations and the code of conduct.

During the year, the Audit Committee had met thirteen times on April 28, 2023, May 18, 2023, May 23, 2023, July 24, 2023, August 3, 2023, October 9, 2023, October 23, 2023, October 27, 2023, December 22, 2023, January 08, 2024, January 24, 2024, January 29, 2024 and February 5, 2024. The details of attendance at the Audit Committee Meeting are as under:

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. Nilesh S Vikamsey, Chairman	13	6,50,000
2.	Mr. Sudarshan Sen	12	6,00,000
3.	Dr. T.M. Bhasin	13	6,50,000
4.	Mr. Neeraj Vyas	13	6,50,000

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

b. Nomination and Remuneration Committee (NRC)

The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013, RBI Master Directions, Scale Based Regulations and as per the Listing Regulations as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

The Nominations and Remuneration Committee (NRC) formulates criteria for determining the qualifications, positive attributes and independence of directors. It recommends to the Board a policy related to the remuneration of directors, key managerial personnel,

- b) It reviews quarterly, half yearly and yearly financial statements as prepared by the Company before submission to the Board.
- c) It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- d) As per Related Party Transactions Policy, it gives prior approval to related party transactions and also monitor related party transactions.
- e) It reviews the functioning of whistle blower mechanism.
- f) It reviews functioning of the internal audit.
- g) It recommends appointment, remuneration and terms of appointment of statutory and internal auditors.
- h) It reviews frauds and reasons, system deficiencies if any, measures to strengthen the system and process, recovery and progress.
- i) It review compliance risk at prescribed periodicity in terms of the Compliance Policy of the Company.

The Audit Committee invites senior management to attend its meetings as it deems appropriate. Additionally, the Statutory Auditors participate in the Audit Committee meetings where financial statements are discussed. During these discussions, the Audit Committee engages with the Statutory Auditors, without the presence of management, regarding their findings on the Company's operations.

senior management and other employees. The NRC identifies individuals qualified to become directors and recommends their appointment, reappointment or removal in accordance with the established criteria. The Company has established a Policy on Fit and Proper Criteria for Directors and a Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees and the same can be accessed at <https://www.pnbhousing.com/investors/policies>. Details of remuneration paid to all the Directors are available elsewhere in this report and also forms part of the Annual Return i.e. Form MGT -7 available on the website.

The annual compensation package of the Managing Director & CEO is recommended by the NRC to the Board and approved by the Board as authorized by the Members. The compensation package of the functional heads are approved by the NRC or Board as the case may be.

During the year, the NRC had met six times on May 26, 2023, May 31, 2023, June 28, 2023, November 14, 2023, January 19, 2024 and March 4, 2024. The details of attendance at the NRC Meetings are as under:

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. R Chandrasekaran, Chairman	6	3,00,000
2.	Mr. Sunil Kaul	6	-
3.	Mr. Nilesh S Vikamsey	5	2,50,000
4.	Ms. Gita Nayyar	6	3,00,000
5.	Mr. Sudarshan Sen	4	2,00,000
6.	Mr. Atul Kumar Goel	4	-

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

c. Corporate Social Responsibility Committee (CSR)

The CSR Committee exercises the roles and responsibilities as per section 135 of the Companies Act, 2013, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

It oversees Corporate Social Responsibilities of the Company, recommend from time-to-time amendments

to CSR Policy of the Company. It formulates annual action plan and recommend to the Board for its approval. It approves implementing agencies for the CSR activities. It oversees the functioning of Executive Committee of CSR.

During the year, the CSR Committee met three times on June 28, 2023, September 26, 2023 and January 18, 2024. The details of attendance at the CSR Meetings are as under;

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Dr. T.M. Bhasin, Chairman	3	1,50,000
2.	Mr. R Chandrasekaran	3	1,50,000
3.	Mr. Sudarshan Sen	2	1,00,000
4.	Mr. Girish Kousgi	3	-

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

d. Stakeholders Relationship Committee (SRC)

The Committee oversees, inter-alia investor relations, recommends to the Board for raising of equity share capital, allotment of equity shares and redressal of investors' grievances. The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013 and as per the Listing Regulations, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the SRC Committee had a Meeting on March 4, 2024. All the Members of the Committee were present at the Meeting and a sitting fee of ₹50,000 was paid to the Chairperson of the Committee.

e. Risk Management Committee

The Company has in place a board level Risk Management Committee. The Committee oversees and reviews various aspects of risk management and reviews the major risk exposures of the Company. It assists 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. It oversees the guidelines, policies and processes for monitoring and mitigating such risks. The Committee has been delegated powers, roles, and responsibilities as per the Listing Regulation, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

The Committee has met five times during the year on June 5, 2023, August 28, 2023, November 17, 2023, December 15, 2023 and February 19, 2024. The details of attendance at the RMC Meetings are as under;

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Dr. T.M. Bhasin, Chairman	5	2,50,000
2.	Mr. Sunil Kaul	5	-
3.	Mr. Neeraj Vyas	5	2,50,000
4.	Mr. Girish Kousgi	5	-

Risk Management policies

The Company has implemented a comprehensive enterprise level Integrated Risk Management (IRM) Policy, along with separate policies for various type of risks material to our business. The IRM policy provides overarching guidance for all risk-related activities, encompassing credit, Asset Liability Management (ALM), market, operational risk management, information technology, cyber security etc. Additionally, it also defines the governance model and outlines the roles and responsibilities of each component within the risk management framework.

The credit risk management policy enables the Company to take appropriate risks in line with its business objectives while maintaining an acceptable risk tolerance. The Credit Risk policy outlines principles, standards, and approaches for credit risk management at the Company level. It provides a comprehensive framework to identify, assess, measure, monitor, control, and report credit risks efficiently and promptly.

The Assets Liability Management Policy covers liquidity management, interest rate risk management, governance structure, estimated liquidity gaps through Structural Liquidity Statement (SLS)/Dynamic Liquidity Analysis (DLA), stock ratios, contingency funding plans, etc.

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 ICAAP policy is to ensure that the Company has adequate capital to support all the material risks in its business and also to encourage the development and use of better risk management techniques for monitoring and managing their risks. The ICAAP also provides guidance for governance, forecasting and estimation of capital charge for material risks, stress testing scenarios for credit risk, liquidity risk, interest rate risk, etc.

The ORM Policy sets out the principles for the identification, assessment, monitoring, and reporting of all operational risks relating to PNBHFL's activities. It explains the various principles of operational risk management and operational resilience and its application to our business, governance, controls and assessment criteria, feedback loop, etc.

The Company is guided by the Outsourcing and Vendor Management Policy with respect to the outsourcing of material business activities. The policy set out a broad framework and provides direction and guidance to manage the risks arising out of the activities being outsourced by PNB Housing Finance. The broad objective of the Policy is to ensure proper due diligence is in place for selecting and evaluating service providers, to have robust contractual and service agreements with service providers and so on.

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. The Company also has Cyber Crisis Management Plan (CCMP) to assist the Incident response team (IRT) within the organization to identify and respond to a cyber-crisis situation effectively.

None of the risks faced by the Company threaten its existence. The Company has designated Mr. Neeraj Manchanda as the Chief Risk Officer in compliance of the RBI Master Directions. The Risk Management Committee reviews various risks faced by the Company and also monitor the measures undertaken to mitigate the same.

f. Credit Committee (CCB)

The Credit Committee of the Board reviews and formulates credit policy parameters for loans to various segments, to improve and to maximize risk/ return matrix. The CCB reviews the credit performance and collection effectiveness of the loan portfolio. The Board has also delegated powers to the Committee to sanction loans. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the CCB had met eleven times on May 24, 2023, June 9, 2023, June 24, 2023, July 21, 2023, July 24, 2023, July 27, 2023, August 1, 2023, September 18, 2023, September 29, 2023, November 20, 2023 and January 17, 2024. The details of attendance at the CCB Meetings are as under.

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. Neeraj Vyas, Chairman	11	5,50,000
2.	Mr. Kapil Modi	11	-
3.	Mr. Pavan Kaushal	11	5,50,000
4.	Mr. Girish Kousgi	11	-

g. IT Strategy Committee

The IT Strategy Committee approves IT Strategy and reviews from time to time the IT policy documents, cybersecurity and IT security. It guides management in establishing an effective strategic planning process and reviews the IT budget. Additionally, it ensures that management has implemented processes and practices to deliver value to the business through IT, balancing risks, benefits, etc. The committee also monitors how management determines IT resources needed to achieve strategic goals and provides high-level direction for sourcing and utilization of IT resources. Lastly, it oversees IT risks and controls. The terms of reference of the Committee, pursuant to the RBI IT Governance Directions, is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the IT Strategy Committee had met six times on August 23, 2023, September 22, 2023, October 26, 2023, November 21, 2023, January 18, 2024 and March 15, 2024. The details of attendance at the IT Committee Meetings are as under.

Sr. No.	Members	Number of Meetings attended	Sitting fee (₹)
1.	Mr. R Chandrasekaran, Chairman	6	3,00,000
2.	Mr. Kapil Modi, Director	6	-
3.	Mr. Pavan Kaushal, Director	6	3,00,000
4.	Mr. Girish Kousgi, MD & CEO	6	-
5.	Mr. Anubhav Rajput	6	-

Key Managerial Persons

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder, following are the Key Managerial Personnel of the Company:

- Mr. Girish Kousgi, Managing Director & CEO
- Mr. Vinay Gupta, Chief Financial Officer
- Mr. Sanjay Jain, Company Secretary and Compliance Officer (Upto January 31, 2024)
- Ms. Veena G Kamath, Company Secretary (w.e.f. February 1, 2024). In accordance with the Listing Regulations, the Board has appointed Ms. Veena G Kamath, Company Secretary, as the Compliance Officer of the Company.

Particulars of Senior Management

The particulars of senior management as per Regulation 16(1) (d) of the Listing Regulations including the changes during the financial year 2023-24 are as follows:

Name	Designation
Mr. Anujai Saxena	Business Head - Affordable Business
Mr. Amit Singh	Chief People Officer
Mr. Jatul Anand	Chief Credit & Collections Officer
Mr. Dilip Vaitheeswaran	Chief Sales Officer - Retail
Mr. Ajay Kumar Mohanty	Head – Internal Audit and Chief of Internal Vigilance
Mr. Krishna Kant	Chief Compliance Officer
Mr. Anubhav Rajput	Chief Information Officer
Mr. Anshul Dalela	Head – Customer Service and Operations
Mr. Neeraj Manchanda	Chief Risk Officer

Changes during financial year 2023-24:

Senior Management Personnel	Effective date
Appointments	
Mr. Dilip Vaitheeswaran	w.e.f. April 03, 2023
Mr. Neeraj Manchanda	w.e.f. October 28, 2023 (for 2 years)
Mr. Krishna Kant	w.e.f. December 08, 2023
Mr. Ajay Kumar Mohanty	extension of tenure from June 1, 2024 upto May 31, 2025
Mr. Vikas Rana	w.e.f. June 18, 2024
Mr. Anujai Saxena	Chief Transformation Officer* (upto Feb 9, 2024)
Resignations	
Mr. Rajesh Kumar Banerjee	on September 08, 2023 (Chief Sales Officer - Retail Liabilities)

*Change in Role

Shareholders Grievances:

The status of shareholders' complaints during Financial Year 2023-24, is mentioned below:

Quarter	Complaints received during the year (in Nos.)	Complaints resolved during the year (in Nos.)	Complaints pending at the end of the year (in Nos.)
Q-1:	489	488	1
Q-2:	8	8	1
Q-3:	5	6	0
Q-4:	0	0	0

The Company had received few request/queries on revalidation of dividend warrants, physical copy of Annual Reports and Rights Issue related matters. The same have been responded to and closed.

Meeting of Independent Directors

Separate meeting of Independent Directors of the Company, without the presence of the Executive Directors and the management representatives, was held on January 11, 2024, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations.

Mr. R Chandrasekaran was the Lead Independent Director in the Meeting. The Independent Directors at their meeting have reviewed, inter-alia, the performance of the Board as a whole, the Committees, the Managing Director, Non-Independent Directors and the Chairperson of the Board.

Remuneration of Directors

The Independent Directors and Non - Executive Non-Nominee Directors are paid sitting fees for attending the Meetings of the Board and Board Committees. They are also eligible to receive commission to an extent of 0.25% of the net profit of the Company, as approved by the shareholders of the Company.

Commission amount for the Financial Year 2022-23 paid during the year 2023-24 was ₹20,000,00 Lakh each to Mr. R Chandrasekaran, Mr. Nilesh Vikasmsey, Mr. Neeraj

Vyas, Dr. T.M. Bhasin, Mr. Sudarshan Sen and Ms. Gita Nayyar. Proportionate Commission amount of ₹8,33,333 was paid to Mr. Pavan Kaushal and ₹1,66,667 was paid to Mr. Ashwani Kumar Gupta.

Details of sitting fees and commission paid during Financial Year 2023-24 as detailed above, is provided in the Form MGT-7 which is placed on the website of the Company.

Managing Director & CEO

Mr. Girish Kousgi is the Managing Director and CEO of the Company with effect from October 21, 2022, for a period of four years till October 20, 2026.

The remuneration of the Managing Director & CEO is recommended by the Nomination & Remuneration Committee and approved by the Board as per the terms of appointment approved by the shareholders. The remuneration package of the Managing Director & CEO comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. In addition, he is entitled to ESOPs. The Managing Director & CEO of the Company has not received any sitting fee or commission from the subsidiaries of the Company.

Details of remuneration paid/payable to the Managing Director during the year under review is provided in Form MGT-7.

Remuneration to Managing Director and details of ESOP Options:

Sl. No.	Particulars of remuneration	(₹)
1	Gross Salary	2,28,87,867
	1. Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	
	2. Value of perquisites under section 17(2) of the Income tax Act, 1961	-
	3. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-
2	Stock Option*	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Performance Bonus	44,38,356
	Total A	2,73,26,223

* He was granted 5,75,000 options on October 21, 2022 (vesting period 20% in first year 20% in second year, 30% in third year and 30% in fourth year). Also, he was granted additional 1,67,384 options pursuant to Rights Issue Corporate Action, with the similar vesting period.

Board Evaluation

The Board's evaluation process has been adopted by the Company in accordance with the Companies Act 2013 and the circular issued by SEBI. It applies to all Directors of the Company. The main objectives are to ensure effective and efficient Board operations aligned with corporate goals, to identify ways to enhance Board members' functioning, and to assess the balance of skills, knowledge, and experience on the Board.

The evaluation of the performance of the Board of Directors, Board Committees, and individual Directors was carried out during the year using a structured questionnaire. Peer evaluation was also conducted, excluding the Director being evaluated.

Evaluation criteria for Board includes communication with management, succession planning, independence, remuneration, strategy and performance, conflict of interest, culture, frequency of meetings, agenda, training, qualification, evaluation of risk, performance evaluation, access to management etc. Evaluation criteria for Committees includes contribution, effectiveness, independence, composition, structure and meetings.

Evaluation criteria for individual directors includes fulfilment of functions, knowledge and skill, participation and personal attributes.

Subsidiary Companies

The Company has two wholly owned subsidiaries, 'PHFL Home Loans and Services Limited' and 'PEHEL Foundation.' PHFL Home Loans was incorporated on August 22, 2017. The Company serves as a distribution arm for PNB Housing, offering doorstep services to prospective customers.

PEHEL Foundation is a wholly owned subsidiary of PNB Housing Finance Limited incorporated on October 14, 2019. It is incorporated as a CSR Foundation of the Company with the main objective to implement projects, programmes and such other activities as specified in Schedule VII of the Companies Act, 2013, as may be necessary under the CSR Policy of PNB Housing Finance Limited and/or its group companies and/or other donors/companies in terms of Section 135 of the Companies Act, 2013.

The subsidiaries are not material subsidiary within the meaning of the Listing Regulations. However, the Company has formulated a policy for determining material subsidiary, which is available on Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>.

Employee Stock Option Scheme (ESOS)/ Restricted Stock Unit Scheme (RSUs)

The disclosures as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, have been placed on the website of the Company. Details of Grants and other Particulars are provided in the notes to accounts.

Proceeds from Private Placement of Non - convertible Debentures (NCDs)

During the year, the Company has raised ₹1,451 crore of secured NCDs through private placements in different tranches. As specified in the 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.

None of the Directors are related to each other, other than Nominee Directors.

Prevention of Insider Trading

The Board has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of SEBI (Prevention of Insider Trading) Regulations, 2015. The Code has been amended in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, as amended from time to time. This Code is applicable to designated employees, their immediate relatives and Directors of the Company and Connected Person.

This Code aims to preserve the confidentiality and prevent the misuse of any unpublished price sensitive information

and to put in place a policy for prohibition of insider trading on the basis of unpublished price sensitive information.

Whistle Blower Policy / Vigil Mechanism

The Company has in place, a Board approved Whistle Blower Policy/Vigil Mechanism, 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.

Internal Guidelines on Corporate Governance

The Company has adopted the Internal Guidelines on Corporate Governance in terms of the Master Direction– Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI Master Directions”). These guidelines provide for internal guideposts to maintain highest standards of Corporate Governance within the Company. These guidelines also encompass the requirements in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 (“RBI Scale Based Regulations”), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and such other applicable regulations and guidelines from time to time (collectively referred to as “applicable laws”). The said Policy is available on the website of the Company and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

Total fees paid to Statutory Auditors by the Company and its subsidiary for all the services during the Financial Year 2023-24

During the year, the Statutory Auditors of PNB Housing Finance Limited has received a total remuneration of ₹1.08 crore from the Company and the Statutory Auditors of subsidiaries have received ₹0.10 crore. The remuneration pertains to fees for statutory audit, internal financial control reporting, limited reviews, tax audits, certifications and reimbursement of expenses.

Internal Financial Control

The Company has an Internal Audit Department to conduct audit of functional areas and operations of the Company, the adequacy of compliance with policies, procedures, statutory and regulatory requirements. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Significant audit observations if any and corrective actions thereon are presented to the Audit Committee every quarter. The Audit Committee reviews and evaluates adequacy and effectiveness of the Company’s internal control environment and monitors the implementation of audit recommendations.

The Audit Committee and Board of Directors have approved a documented framework for the internal financial control to be followed by the Company and such policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information and disclosures.

Disclosures

Related Party Transactions

The Policy on Related Party Transactions as approved by the Board is available on Company’s website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>. There were no material transactions with related parties that may have potential conflict of interest with the Company. Details of related party transactions entered into by the Company 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 from Punjab National Bank. All the transactions were in the ordinary course of business and at arm’s length.

The Company has taken approval from the shareholders for entering into material related party transactions i.e. various banking and other transactions with Punjab National Bank and transactions with PNB Gilts Limited in the ordinary course of business. The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website www.pnbhousing.com

Accounting Standards / Treatment

The Company has complied with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act 2013 (‘the Act’) and rules made thereunder. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors’ Report.

General Meetings / Postal Ballot

Annual General Meetings/ Extra-Ordinary Meetings were held through Video conferencing as per the relaxations provided to the Companies by the Ministry of Corporate Affairs since the year ended March 31, 2020 on account of Covid 19 pandemic. The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at, are as under:

The details of the special resolutions passed during the last three Annual and / or Extraordinary General Meetings held through Video Conference/ Other Audio-Visual means, are as follows:

Year ended	Date and time	Deemed Venue	Special resolution passed
March 31, 2023 (35 th AGM)	August 10, 2023 at 04:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of Non-Convertible Debentures (NCDs) on private placement basis. 2. Approval of Alteration of Articles of Association.
March 31, 2022 (34 th AGM)	July 26, 2022 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of Non-Convertible Debentures (NCDs) on private placement basis. 2. Approval of Restricted Stock Unit Scheme 2022 of the Company. 3. Approval of Employees Stock Option Scheme (ESOP Schedule III 2022) of the Company. 4. Approval of amendment in the Employees Stock Option Scheme 2016.
March 31, 2021 (33 rd AGM)	September 3, 2021 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of bonds/ Non- Convertible debentures and other debt securities.

Extra-ordinary General Meeting held through Video Conference/ Other Audio-Visual means, are as follows:

Date and time	Deemed Venue	Special resolution passed
June 22, 2021 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. Re-appointment of Mr. Chandrasekaran Ramakrishnan (DIN: 00580842) as an Independent Director for a second term of 5 (five) years. 2. Re-appointment of Mr. Nilesh S Vikamsey (DIN: 00031213) as an Independent Director for a second term of 5 (five) years.

Postal Ballot

During the financial year, the Company had issued a Postal Ballot Notice to the Members requesting for a Special Resolution for Re-appointment of Ms. Gita Nayyar (DIN:07128438) as an Independent Director of the Company. Details are as follows:

Date of postal ballot notice	Resolution passed	Voting results	Approval date	Scrutinizer
Notice dispatched on March 27, 2024	Re-appointment of Ms. Gita Nayyar (DIN:07128438) as an Independent Director of the Company.	Voting in favour: 99.60% Voting against: 0.40%	April 26, 2024	Mr. Shashikant Tiwari (Membership No. FCS 11919, CP. No. 13050), Partner of M/s Chandrasekaran Associates, Company Secretaries, New Delhi

The voting results provided by the scrutinizer are made available on our website at <https://www.pnbhousing.com/investors/updates-and-events>

Procedure for postal ballot

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time. General Procedure followed is given below:

- Postal Ballot Notice will be sent to all the shareholders (as on the cut-off date), whose e-mail IDs are registered with the Depositories/RTA.
- E-voting facility shall be provided to the members through a designated depository.
- The e-voting facility shall remain open for 30 days from the date of dispatch of notice to the members.
- If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

- The intimation about dispatch of postal ballot shall be published in newspapers.
- The scrutiniser shall be appointed to conduct the Postal Ballot in a fair and transparent manner.
- Scrutiniser shall submit his report to the Chairman/ Managing Director & CEO/ any other authorised person, not later than 48 hours after closure of e-voting.

Details of special resolution proposed to be transacted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Means of Communication to the shareholders and Investor Relations

The Company has about 1,33,177 shareholders all over India as on March 31, 2024.

The means of communication to the shareholders includes;

- (a) Quarterly Results - The Company, immediately after conclusion of the meetings of the Board of Directors, uploads the quarterly/half yearly/annual financial results on the website 'NEAPS'/'NSE Digital' of National Stock Exchange of India Limited and 'Listing Centre' of BSE Limited and simultaneously uploads the same on the Company's website <https://www.pnbhousing.com/> within the prescribed time.
- (b) Newspapers wherein results normally published - The Company normally publishes the abridged version of audited/ unaudited financial results on a quarterly/ half yearly/ annual basis, in the prescribed format, in leading newspapers in English and Regional Language i.e., in Hindi viz., 'Business Standard'.
- (c) Display on website - The Company displays all the reports/ statements/ notices and such other documents as required/ applicable under the statutory and regulatory requirements on the official website of the Company <https://www.pnbhousing.com/> The Company also uploads all such documents online on National Stock Exchange of India Limited website <https://neaps.nseindia.com/NEWLISTINGCORP/>, and BSE Limited website <https://listing.bseindia.com/home.htm> for dissemination.

Investors' page on the website of the Company:

The 'Investors' Page (<https://www.pnbhousing.com/investors/investor-presentations>) provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data, annual performance compared, key ratios, etc. The page also discloses the un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual reports, shareholding pattern, unclaimed/unpaid dividend/deposits, Fair Practice Code, KYC guidelines, nomination by members, SEBI circulars insisting for payments to members through electronic mode, complete details about the Registrar and Transfer agents, details of the Compliance Officer, information, codes, policies, etc., as required under Reg. 46 and 62 of the SEBI Listing Regulations and for the information and utility of the shareholders of the Company. The intimations relating to Investors or Analysts meet are informed to the stock exchanges in terms of Regulation 30 of the SEBI regulations and similar information is made available on the Company's website within the prescribed time as and when applicable.

- (d) Official News releases - Dissemination of information through television/press: The Managing Director and CEO provides brief information on quarterly/annual results on TV channels and in print media, within the permissible disclosure norms.
- (e) Presentations made to Institutional Investors or to the Analysts - The Managing Director & CEO, Chief Financial Officer and Head - Treasury & Investor

Relations interact with the analysts/investors and participate in the Conference calls arranged by reputed Investors/analysts. The Company conducts earnings calls post disclosure of results and recordings of such calls and transcripts are made available on the Company's official website as per the permissible disclosure norms.

- (f) Annual Report: The Annual Report encompasses operational and financial highlights for the current year in comparison with previous years, Report of Directors, Management Discussion and Analysis Report, Report of the Directors on corporate governance and Standalone and Consolidated Audited Financial Statements together with the Auditors Report. The Annual Report also contains a section on 'General Information to Shareholders' which inter-alia provides information relating to Annual General Meetings, shareholding pattern, distribution of shareholding, voting rights and the monthly high and low market price of equity shares during the year, etc. and the information as required under statutory and regulatory guidelines.
- (g) Stock Exchanges: The Company uploads/discloses all material information online, about the Company including shareholding pattern, report on corporate governance, reconciliation of share capital audit, status of investor's complaints, certificates from RTA, disclosure on related party transactions, annual secretarial compliance report, intimations/disclosure of material events, certification on utilization of the proceeds of Non- convertible debentures and Commercial papers for the purpose for which the same are raised, Large corporate disclosures, record dates for corporate action(s), payment of NCD interest, redemptions, intimations u/r 57(4) and 57(5) of SEBI Listing Regulations, 2015, ALM position, etc. periodically to the National Stock Exchange of India Limited and BSE Limited.
- (h) Investor grievance redressal mechanism: The Company has provided a separate e-mail ID for shareholders services viz., Investor.Services@pnbhousing.com and the investor grievance redressal mechanism is in place.
- (i) Meetings: The principal forum for interaction/ discussion with shareholders be it individuals, corporates or foreign investors is the Annual General Meeting of the Company.
- (j) SEBI Complaints Redressal System (SCORES): The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/ resolved electronically in the SEBI SCORES system/facility provided by Stock Exchange(s).
- (k) Other information: The details relating to the Director(s) proposed to be appointed/re-appointed at the ensuing Annual General Meeting are provided as an annexure to the notice convening the said meeting.

In recognition of the initiative taken by the Ministry of Corporate Affairs (MCA), Government of India and as a contribution towards a greener environment, the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Report of Directors, Auditors Report, etc. to a significant number of shareholders to their registered e-mail address made available to the Company by the Depositories or by the members themselves to the Company or its Registrar & Transfer agents. The above documents would also be available on the website of the Company <https://www.pnbhousing.com/>

The Annual Report of the Company for the financial year 2023-24 will be e-mailed to the members as stated above and in compliance with the guidelines issued by MCA vide its various notifications and circulars since March 2020, relaxing various requirements. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

CEO and CFO Certification

In terms of Regulation 17(8) and Part B of Schedule II of SEBI Listing Regulation, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on April 29, 2024 convened for approval of the audited financial results of the Company for the year under review. The said certification has been placed as Annexure A to this report.

Compliance with mandatory Requirements

The Company has complied with the mandatory requirements as stipulated under Regulation 17 to 27, 34(3), 46 and 53 of the Listing Regulations. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit. The Company has received certificate(s) from practising Company Secretaries confirming none of the Directors debarred or disqualified and also a Certificate confirming that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations. Both the certificates are placed as Annexures to the Directors' Report. During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under the Listing Regulations.

Compliance with discretionary requirements

The status of adoption of the non- mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, are as follows:

- a. The Board: The Chairman of the Company is Non-Executive Chairman.
- b. Shareholder Rights: Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website <https://www.pnbhousing.com/>, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the

Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited; The Company protects and facilitates exercise of the rights of shareholders.

- c. Modified opinion(s) in audit report: There were no qualifications/modified opinion(s) on financial statements by the Auditors.
- d. There are separate posts of the Chairman, and the MD & CEO. The Board has elected a non-executive chairperson who is not related to the MD & CEO.
- e. Reporting of Internal Auditor: The Internal Auditor(s) of the Company reports directly to the Audit Committee without any restrictions.

Strictures and Penalties during last 3 years

- a. During FY 2023-24, no penalty/strictures were imposed on the Company by BSE Limited/ NSE Limited.
- b. During FY 2022-23, BSE Limited and NSE Limited have levied a penalty of ₹4.25 lakh each plus GST each on 21/11/2022 and 21/02/2023 for non-compliance with the proviso to Regulation 17 (1) (b) of Listing Regulations i.e., shortfall of one Independent Director on the Board.
- c. During FY 2021-22, BSE Limited and NSE Limited have levied a penalty of ₹2.70 lakh each plus GST each for delay in appointment of woman director. 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 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 lakhs to SEBI including the legal expenses of ₹44.27 lakhs.

The National Housing Bank has imposed a monetary penalty of ₹0.80 lakh plus GST on the Company for non-adherence of policy circular no. 58 and 75.

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

In terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the FY 2023-24. As required under Schedule V(D) of the said Regulations, a declaration signed by the Managing Director & Chief Executive Officer of the Company stating that the members of the Board and the Senior Management Personnel have affirmed compliance of their respective Codes of Conduct, is placed as an Annexure B to the corporate governance report.

Annexure A**CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2024****[Pursuant to Regulation 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015]**

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

Sub: CEO and CFO certification for the year ended March 31, 2024

In terms of Regulation 17(8) read with Part B of schedule II of SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

- a) We have reviewed financial statements and the Cash Flow Statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered by the Company during the year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - I. Significant changes in internal control if any, over financial reporting during the year;
 - II. Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements; and
 - III. Instances during the year of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: April 29, 2024
Place: New Delhi

Sd/-
Vinay Gupta
Chief Financial Officer

Sd/-
Girish Kousgi
Managing Director & CEO

Annexure B

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

The Board of Directors
PNB Housing Finance Limited
New Delhi

Dear members of the Board,

I, Girish Kousgi, Managing Director & Chief Executive Officer of PNB Housing Finance Limited hereby declare that all the members of the Board have affirmed compliance with the 'Code of Conduct of Board of Directors' for the financial year ended March 31, 2024.

I further declare that all the members of Senior Management Personnel of the Company have affirmed compliance with the 'Code of Conduct of the Senior Management' for the financial year ended March 31, 2024.

Date: April 29, 2024

Place: New Delhi

Sd/-

Girish Kousgi

Managing Director & CEO

Policy on Related Party Transactions

I. INTRODUCTION

PNB Housing Finance Limited (**'the Company'**) is a public limited company incorporated on November 1, 1988 under the Companies Act, 1956 (Corporate Identity Number L65922DL1988PLC033856). The Company is registered as a Housing Finance Company with the National Housing Bank (NHB) under the NHB Act, 1987.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 requires a Company to adopt a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

In view of the above, the Board of Directors (**"Board"**) of the Company has adopted the Policy on Related Party Transactions (**"Policy"**).

II. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- i. Materiality of Related Party Transactions;
- ii. Manner of dealing with the transactions between the Company and its Related Parties and other Related Party Transactions, as may be required, in accordance with the Companies Act, 2013, Regulation 23 of the SEBI Listing Regulations and any other statute, law, standards, regulations relating to Related Party Transactions; and
- iii. Laying down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable in the best interest of the Company.

III. DEFINITIONS

- i. **'Act'** means the Companies Act, 2013, as amended from time to time.
- ii. **'Arm's Length Transaction'** means a transaction between the Company and its Related Party(ies) that is conducted as if they are unrelated, so that there is no conflict of interest.
- iii. **'Audit Committee'** means Audit Committee of Board of Directors of the Company constituted under provisions of the Act and SEBI Listing Regulations.
- iv. **'Board of Directors'** or **'Board'** means Board of Directors of the Company as constituted from time to time.

- v. **'Company'** means PNB Housing Finance Limited.
- vi. **'Compliance Officer'** may be a Company Secretary of the Company or any other person as may be authorized by the Board for this purpose.
- vii. **'Material modification'** shall mean any modification made in the terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved which, individually or taken together with previous modifications during a financial year, results in variation in the value of the Related Party Transaction, as tabulated in the Annexure (except for the specified transactions covered as per the Act) or has significant impact on the nature, tenure, exposure, as may be determined by the Audit Committee from time to time (Refer Annexure I).

Provided that a modification shall be material, if by such modification, the terms of the contract cease to be at arms' length.

Provided further that the following shall not be considered as material modification -

- a) modifications which may be mandated pursuant to change in law;
- b) modifications pursuant to and in accordance with the terms of the approved transaction/ contract apart from the above defined material modification;
- c) modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.) approved by appropriate authority;
- d) modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- e) modifications uniformly affected for similar transactions with unrelated parties;

viii. **'Material Related Party Transaction'**

A. UNDER THE SEBI LISTING REGULATIONS:

- a. Means transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is less.

- b. A transaction involving payments made to a Related Party with respect to brand usage or royalty shall also be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

B. UNDER THE ACT:

Means transactions as defined under Section 188(1) of the Act with Related Parties as defined under Section 2(76) of the Act where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under the Act from time to time. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 prescribes the specified transactions and threshold limits as tabulated below:

Prescribed transaction categories	Threshold Limits
Sale, purchase or supply of any goods or material (directly or through an agent)	Amounting to 10 per cent or more of turnover of the Company
Selling or otherwise disposing of, or buying, property of any kind (directly or through an agent)	Amounting to 10 per cent or more of net worth of the Company
Leasing of property of any kind	Amounting 10 per cent or more of turnover of the Company
Availing or rendering of any services (directly or through an agent)	Amounting to 10 per cent or more of turnover of the Company
Appointment to any office or place of profit in the company, subsidiary company or associate company	Remuneration exceeding ₹2.5 lacs per month of the Company
Underwriting the subscription of any securities or derivatives of the company	Remuneration exceeding one per cent of net worth of the Company

- ix. **'Related Party(ies)'** shall have the same meaning as defined under the Act, SEBI Listing Regulations and Indian Accounting Standards (Ind AS) including all amendments and modifications thereof from time to time.

Further, as per SEBI Listing regulation:

- a. any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b. any person or any entity, holding equity shares of ten per cent or more in the listed entity either directly or on a beneficial

interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

- x. **'Related Party Transaction'** means a transaction involving transfer of resources, services or obligations between the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries whether a price is charged or not.

A transaction with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.

- xi. **'SEBI Listing Regulations'** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereof.
- xii. **'Specified Transaction'** means the transaction which has been specified in Section 188 of the Act as amended from time to time.
- xiii. **'Stock Exchange'** means the stock exchange where equity shares of the Company are listed.
- xiv. **'Turnover'** or **'Net Worth'** shall be on the basis of the Audited Financial Statement of the preceding financial year.

Unless the contrary is apparent from context, words and expressions used and not defined in this Policy shall have the same meaning as contained in the Act read with rules made thereunder, the SEBI Listing Regulations or any other cognate statute.

IV. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

IV.1. Identification of Related Parties and Related Party Transactions:

- i. Every Director and/or Key Managerial Personnel of the Company shall disclose to the Compliance Officer 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 organizations in which he/ she is interested along with unique identification number/ PAN, whether directly or indirectly.(including details of relatives etc.)
- ii. The Chief Financial Officer shall maintain a complete list of Related Parties, and update the same as and when any change is necessitated. The list shall be disseminated to all business functionaries for their ready reference while undertaking any transaction.

- iii. Besides, the Chief Financial Officer shall also maintain a list of Related Parties of its subsidiaries, which may be sourced from respective subsidiaries on a periodic (quarterly) basis or as and when needed. Adequate systems must be in place to ensure that the RPTs in which the Company is not a party, but the subsidiary is a party, shall be brought to the information of the Company in a timely manner, for necessary approvals, wherever required.
- iv. The Chief Financial Officer will be responsible for providing prior notice to the Compliance Officer 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.
- v. The suggested details and list of records and supporting documents which are required to be provided to the Audit Committee, Board and Shareholders of the Company for the proposed Related Party Transaction are provided in **Annexure II** to this Policy.
- vi. 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. The Audit Committee shall have the right to obtain external professional advice in relation to related party transactions.
- vii. The Company being an insurance intermediary and has majority shareholding of foreign investors shall not make payments (other than dividend) to related parties (foreign investors) taken as a whole, beyond 10% of the total expenses of the Company in a financial year.

IV.2. Approval Mechanism for Related Party Transaction

IV.2.1. Approval by the Audit Committee

- i. All Related Party Transactions and Material Modification(s) thereto shall require prior approval of the Audit Committee irrespective of whether such transactions are in the ordinary course of business and/or at arm's length or not.
- ii. Prior approval of the Audit Committee of the listed entity shall also be required in case of a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10%

of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

- iii. However, such prior approval shall not be required for (i) a related party transaction wherein Regulation 23 is applicable to such subsidiary, since in that case prior approval of the audit committee of the subsidiary will be obtained; and (ii) such other transactions which may be exempted under the Listing Regulations, from time to time.
- iv. Approval of the Audit Committee shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for Shareholder's approval. However, approval shall be required in case of Specified Transaction between the Company and its wholly owned subsidiary company.
- v. Transactions for which prior approval has been accorded by the Audit Committee, should be placed for review by the Audit Committee at such intervals, as may be decided by the Audit Committee, but least on an annual basis.
- vi. Only those members of the Audit Committee who are independent directors, shall approve Related Party Transactions. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

Omnibus approval of Related Party Transactions:

- i. In the case of repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval keeping in mind repetitiveness and justification for the need for the omnibus approval.
- ii. 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:

- i. 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.
- ii. The omnibus approval granted by the Audit Committee shall indicate the following:-
 - a. name of the Related Party(ies);
 - 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
 - iii. 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).
 - iv. 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.
 - v. The omnibus approval provided by the Audit Committee shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
 - vi. Such omnibus approval shall not be made by the Audit Committee for the transactions in respect of selling or disposing of the undertaking of the Company.
- 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; or
 - d. the Related Party Transaction needs to be approved by the Board under any law for the time being in force.
- ii. Approval of the 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.
 - iii. The considerations set forth above in case of Audit Committee shall also apply to the Board's review and approval of the proposed Related Party Transaction with such modification as may be necessary or appropriate under the circumstances.
 - iv. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

IV.2.3. Approval by the Members

Unless exempted under the Act/SEBI Listing Regulations, as the case may be, all Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders by way of an ordinary resolution. No Related Party(ies) shall vote to approve such resolutions whether the person/entity is a related party to the particular transaction or not.

Approval of the members shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for approval.

Type	Approving Body		
	Audit Committee	Board	Shareholders
Material RPTs	●		●
Material modifications RPTs, where RPT is material	●		●
material modification in RPTs, where RPT is not material	●		
Not in ordinary course / arm's length & not material	●	●	
Not in ordinary course / arm's length & material	●	●	●

IV.2.2. Approval by the Board

- i. Related Party Transaction shall require Board approval in the following cases:
 - a. If the Related Party Transaction is not in the ordinary course of business or not at Arm's Length Basis; or

IV.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.

V. 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 the transaction 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 Chief Financial Officer/Compliance Officer 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 in accordance with the provisions of the Act/Listing Regulations.

VI. DISCLOSURES AND REPORTING

The Company shall make all disclosures and reporting in accordance with the provisions of applicable laws, including the following -

- 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 Annual Report shall contain Related Party disclosure in accordance with all applicable laws including accounting standards and RBI Master Directions/ circulars issued or amended from time to time.
- iii. The Compliance Officer shall also make necessary entries in the Register of Contracts or Arrangement required to be maintained under the Act.
- iv. Details of all Material Related Party Transactions with its Related Parties and 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' shall be disclosed in the quarterly compliance report on corporate governance as per the provisions of SEBI Listing Regulations.
- v. The Company shall submit on the date of publication of its standalone and consolidated financial results, disclosures of Related Party Transactions on a consolidated basis, in the format specified in the SEBI Listing Regulations as amended from time to time and publish the same on its website.
- vi. The Company shall disclose the Policy on dealing with Related Party Transactions on its website and also in the Annual Report, in accordance with RBI Master Directions.

VII. NON-APPLICABILITY

Notwithstanding anything contained anywhere else in this Policy, following shall not be a related party transaction as per SEBI (LODR) Regulations:

- i. The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- ii. The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - a) payment of dividend;
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of rights issue or a bonus issue; and
 - d) buy-back of securities;

- iii. Acceptance of fixed deposits by the Company at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of Related Party Transactions every six months to the stock exchange(s), in the format as specified by the Board.

VIII. POLICY REVIEW AND DISSEMINATION

This Policy shall be reviewed annually by the Board or at earlier intervals as deemed necessary. Consequent upon any change in the SEBI Listing Regulations/Act or any other applicable law/ regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy.

IX. INTERPRETATION

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI Listing Regulations.

In the event of any conflict between the provisions of this Policy and the Act or the SEBI Listing Regulations or any other statutory enactments or rules, the provisions of the SEBI Listing Regulations/ the Act or statutory enactments, rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.