pnb Housing Finance Limited

Ghar Ki Baat

August 4, 2017

The BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 540173

National Stock Exchange of India Limited,
Listing Department
"Exchange Plaza"
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Symbol: PNBHOUSING

Dear Sirs,

Sub: Intimation under Regulation 34 and 44 of the SEBI(Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

We wish to inform you that the 29th Annual General Meeting (AGM) of the Members of the Company was held on Wednesday, August 2, 2017, at 3.00 p.m. at the "The Stein Auditorium" Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003. The members present at the AGM transacted the businesses mentioned in the Notice dated July 8, 2017

In this connection and as required under the Listing Regulations and the applicable provisions of Companies Act, 2013, we submit the following:

1. Combined e-voting results in the prescribed format;
2. Scrutinizer Report issued by Sanjay Grover, Managing Partner, Sanjay Grover and Associates, Company Secretaries, and
3. Annual Report for the financial year 2016-17 adopted by the shareholders in the Annual General Meeting.

You are requested to take note of the above and arrange to inform your constituents accordingly.

Thanking You,

For PNB Housing Finance Limited

Sanjay Jain
Company Secretary & Head Compliance
Membership No. : F2642

Encl : a/a

PNB HOUSING FINANCE LIMITED

Voting Results of AGM	
Details of poll at AGM and e-voting results as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the following resolutions:	
Date of the AGM	02.08.2017
Total number of shareholders on record date	1,01,226
No. of shareholders present in the meeting either in person or through Proxy: Promoters and Promoters Group: 0 Public: 301	301
No. of Shareholders attended the meeting through Video Conferencing	0

1. Ordinary Resolution: To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2017 including audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,75,899	48.4383	152,75,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**152,75,899**	**48.4383**	**152,75,899**	**0**	**100.0000**	**0.0000**
Public-Non Institutions	E-voting	703,18,975	7,84,390	1.1155	7,84,314	76	99.9903	0.0097
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,778**	**89.5701**	**629,84,702**	**76**	**99.9999**	**0.0001**
Total		**1665,86,482**	**1429,91,377**	**85.8361**	**1429,91,301**	**76**	**99.9999**	**0.0001**

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2. Ordinary Resolution: To declare the dividend on Equity Shares at the rate Rs. 6/- for the financial year 2016-17.;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**152,90,899**	**48.4859**	**152,90,899**	**0**	**100.0000**	**0.0000**
Public-Non Institutions	E-voting	703,18,975	7,84,390	1.1155	7,84,260	130	99.9834	0.0166
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,778**	**89.5701**	**629,84,648**	**130**	**99.9998**	**0.0002**
Total		**1665,86,482**	**1430,06,377**	**85.8451**	**1430,06,247**	**130**	**99.9999**	0.0001

3. Ordinary Resolution: To appoint Mr. Sunil Kaul as non-executive director, who retires by rotation and, being eligible, offers himself for re-appointment;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,24,373	66526	99.5649	0.4351
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**152,90,899**	**48.4859**	**152,24,373**	**66526**	**99.5649**	**0.4351**
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,089	101	99.9871	0.0129
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,578**	**89.5698**	**629,84,477**	**101**	**99.9998**	**0.0002**
Total		**1665,86,482**	**1430,06,177**	**85.8450**	**1429,39,550**	**66627**	**99.9534**	**0.0466**

4. Ordinary Resolution: Appointment of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (Firm Registration No.001035N/N50050),Statutory Auditors of the Company and to fix their remuneration;

Whether promoter/ promoter group are intersted in the Agenda/resolution	No

PNB HOUSING FINANCE LTD. Corporate Office 22, K.G. Marg, New Delhi Antriksh Bhawan

Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	151,36,018	154881	98.9871	1.0129
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**152,90,899**	**48.4859**	**151,36,018**	**154881**	**98.9871**	**1.0129**
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,087	103	99.9869	0.0131
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,578**	**89.5698**	**629,84,475**	**103**	**99.9998**	**0.0002**
Total		**1665,86,482**	**1430,06,177**	**85.8450**	**1428,51,193**	**154984**	**99.8916**	**0.1084**

5. Ordinary Resolution: To appoint Mr. Sunil Mehta as an non-executive director of the Company liable to retire by rotation;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**152,90,899**	**48.4859**	**152,90,899**	**0**	**100.0000**	**0.0000**
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,032	158	99.9799	0.0201
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,578**	**89.5698**	**629,84,420**	**158**	**99.9997**	**0.0003**
Total		**1665,86,482**	**1430,06,177**	**85.8450**	**1430,06,019**	**158**	**99.9999**	**0.0001**

6. Ordinary Resolution:To appoint Mr. Ashwani Kumar Gupta as an Independent Director of the Company for a five years term;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!

PNB HOUSING FINANCE LTD. Corporate Office 22, KG. Marg, New Delhi Antriksh Bhawan

Group	Total		647,30,700	100.0000	647,30,700	0	100.0000	0.0000
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		152,90,899	48.4859	15290899	0	100.0000	0.0000
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,038	152	99.9806	0.0194
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		629,84,578	89.5698	629,84,426	152	99.9998	0.0002
Total		1665,86,482	1430,06,177	85.8450	1430,06,025	152	99.9999	0.0001

7. Ordinary Resolution: To appoint Mrs. Shubhalakshmi Panse as an Independent Director of the Company for a five years term;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		647,30,700	100.0000	647,30,700	0	100.0000	0.0000
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	151,70,302	120597	99.2113	0.7887
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		152,90,899	48.4859	151,70,302	120597	99.2113	0.7887
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,019	171	99.9782	0.0218
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		629,84,578	89.5698	629,84,407	171	99.9997	0.0003
Total		1665,86,482	1430,06,177	85.8450	1428,85,409	120768	99.9156	0.0844

8. Special Resolution: To Borrow money not exceeding Rupees 80,000 crores at any point of time and to issue non-convertible debentures of face value aggregating up to Rs. 35,000 crores;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		-	0.0000	-	0	#DIV/0!	#DIV/0!
	Total		647,30,700	100.0000	647,30,700	0	100.0000	0.0000
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	141,47,879	1143020	92.5248	7.4752
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		152,90,899	48.4859	141,47,879	1143020	92.5248	7.4752

PNB HOUSING FINANCE LTD. Corporate Office 22, K.G. Marg, New Delhi Antriksh Bhawan

Public-Non Institutions	E-voting	703,18,975	7,84,171	1.1152	7,84,027	144	99.9816	0.0184
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,559**	**89.5698**	**629,84,415**	**144**	**99.9998**	**0.0002**
Total		**1665,86,482**	**1430,06,158**	**85.8450**	**1418,62,994**	**1143164**	**99.2006**	**0.7994**

9. Special Resolution:To operationalise Article 86(b) of Article of Association of the Company;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	**Mode of Voting**	**No. of shares held**	**No of Valid Votes Polled**	**% of Votes Polled on Outstanding Shares**	**No. of Votes in Favour**	**No. of Votes Against**	**% of votes in favour on Votes Polled**	**% of votes against on Votes Polled**
		(1)	**(2)**	**(3)=(2)/(1)*100**	**(4)**	**(5)**	**(6)=(4)/(2)*100**	**(7)=(5)/(2)*100**
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	#DIV/0!	#DIV/0!
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0	0
	Total		**152,90,899**	**48.4859**	**152,90,899**	**0**	**100.0000**	**0.0000**
Public-Non Institutions	E-voting	703,18,975	7,84,165	1.1152	7,84,070	95	99.9879	0.0121
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,553**	**89.5698**	**629,84,458**	**95**	**99.9998**	**0.0002**
Total		**1665,86,482**	**1430,06,152**	**85.8450**	**1430,06,057**	**95**	**99.9999**	**0.0001**

10. Special Resolution:To ratify PNB Housing Finance Ltd- ESOS Scheme 2016;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	**Mode of Voting**	**No. of shares held**	**No of Valid Votes Polled**	**% of Votes Polled on Outstanding Shares**	**No. of Votes in Favour**	**No. of Votes Against**	**% of votes in favour on Votes Polled**	**% of votes against on Votes Polled**
		(1)	**(2)**	**(3)=(2)/(1)*100**	**(4)**	**(5)**	**(6)=(4)/(2)*100**	**(7)=(5)/(2)*100**
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	**0.0000**
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**152,90,899**	**48.4859**	**152,90,899**	**0**	**100.0000**	**0.0000**
Public-Non Institutions	E-voting	703,18,975	7,84,190	1.1152	7,84,019	171	99.9782	0.0218
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,578**	**89.5698**	**629,84,407**	**171**	**99.9997**	**0.0003**
Total		**1665,86,482**	**1430,06,177**	**85.8450**	**1430,06,006**	**171**	**99.9999**	**0.0001**

PNB HOUSING FINANCE LTD. Corporate Office 22, K.G. Marg, New Delhi Antriksh Bhawan

11. Special Resolution:Addition of Article 119A in the Articles of Association of the Company;

Whether promoter/ promoter group are intersted in the Agenda/resolution							No	
Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
		(1)	(2)	(3)=(2)/(1)*100	(4)	(5)	(6)=(4)/(2)*100	(7)=(5)/(2)*100
Promoters and Promoter Group	E-voting	647,30,700	647,30,700	100.0000	647,30,700	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0
	Total		**647,30,700**	**100.0000**	**647,30,700**	**0**	**100.0000**	0.0000
Public-Institutions	E-voting	315,36,807	152,90,899	48.4859	152,90,899	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Total		**152,90,899**	**48.4859**	**152,90,899**	**0**	**100.0000**	0.0000
Public-Non Institutions	E-voting	703,18,975	7,84,171	1.1152	7,84,076	95	99.9879	0.0121
	Poll		622,00,388	88.4546	622,00,388	0	100.0000	0.0000
	Total		**629,84,559**	**89.5698**	**629,84,464**	**95**	**99.9998**	0.0002
Total		1665,86,482	1430,06,158	85.8450	1430,06,063	95	99.9999	0.0001

SANJAY GROVER & ASSOCIATES
COMPANY SECRETARIES

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

Scrutinizer's Report

[Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 read with Rule 21 of the Companies (Management and Administration) Rules, 2014]

To,
The Chairman
PNB Housing Finance Limited
(CIN: L65922DL1988PLC033856)
9TH Floor Antriksh Bhawan
22 KG Marg New Delhi -110001

Dear Sir,

I, Sanjay Grover, Practicing Company Secretary, Managing Partner of M/s Sanjay Grover & Associates, Practicing Company Secretaries having office at B-88, First Floor, Defence Colony, New Delhi-110024, was appointed as Scrutinizer for the purpose of scrutinizing Annual General Meeting (AGM) and voting process i.e. remote e-Voting and voting through ballot paper (Poll) at AGM, under the provisions of Section 108 of the Companies Act, 2013 and Rule 20 read with Rule 21 of the Companies (Management and Administration)Rules, 2014, on the resolution(s) mentioned in Notice dated July 08, 2017for 29thAGM of the Equity Shareholders of the Company held on 02nd day of August, 2017 at 3:00 P.M. at "The Stein Auditorium" Habitat World, at Indian Habitat Centre, Lodhi Road, New Delhi-110003.

I submit my report as under:-

1. The remote e-voting period commenced on Friday, July 28, 2017at 09:00 A.M. and ended on Tuesday, August 01, 2017 at 05:00 P.M., via e-voting Platform on the

designated website of Central Depository Services Limited (CDSL) viz. www.evotingindia.com.

2. The Shareholders of the Company as on the "cut off" date i.e. Wednesday, July 26,2017were entitled to avail the facility of remote e-voting as well as poll at the AGM on the proposed resolutions (item no. 1 to 11) as set out in the Notice dated July 08, 2017.

3. The total paid up Equity Share Capital of the Company as on July 07, 2017 was Rs.1,66,58,64,820/- (Rupees One Hundred Sixty Six Crores Fifty Eight Lakhs Sixty Four Thousand Eight Hundred and Twenty Only) divided into 16,65,86,482 (Sixteen Crores Sixty Five Lakhs Eighty Six Thousands Four Hundred Eighty Two) equity shares of Rs. 10/- (Rupees Ten Only) each.

4. The Chairman ordered for poll at AGM as per Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014.

5. One ballot box was kept for polling and the ballot box was locked in my presence.

6. After completion of Poll at the AGM the ballot box was opened in my presence and ballots were diligently scrutinized. Thereafter, ballots were reconciled with the records maintained by the Registrar and Transfer Agents and the Authorizations/Proxies lodged with the Company. A detailed register was maintained containing the particulars of the shareholders who participated in poll at AGM.

7. The ballots, which were incomplete and/or which were otherwise found defective or if signature of any shareholder did not match with the records were treated as invalid.

8. Thereafter, the votes cast through remote e-voting were unblocked after completion of poll at the AGM in the presence of two witnesses, Mr. Ankit Dogra R/o H. No.- 1622, Type 4,Gulabi Bagh Delhi–110007 and Mr. Vimal Kumar R/o D-109, Shakarpur – 110092 who were not in the employment of the company. They have signed below in confirmation of the votes being unblocked in their presence.

Ankit Dogra

Vimal Kumar

9. The consolidated summary of results of remote e-voting and poll at AGM are as under:

a) **Resolution No. 1:**-To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2017 including audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,790,913	142,991,301	100.0
Dissent	-	76	76	0.00
Total	62,200,388	80,790,989	142,991,377	100

Therefore, the resolution No. 1 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure- A.**

b) **Resolution No. 2:**- To declare the dividend on Equity Shares at the rate Rs. 6/- for the financial year 2016-17.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,859	143,006,247	100.00
Dissent	-	130	130	0.00
Total	62,200,388	80,805,989	143,006,377	100

Therefore, the resolution No. 2has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure B.**

SANJAY GROVER & ASSOCIATES NEW DELHI Company Secretaries

c) **Resolution No. 3:**-To appoint Mr. Sunil Kaul as non-executive director, who retires by rotation and, being eligible, offers himself for re-appointment.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,739,162	142,939,550	99.95
Dissent	-	66,627	66,627	0.05
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 3has been approved with requisite majority.Details of poll at AGM &remote e-voting are given in **Annexure C.**

d) **Resolution No. 4:-**To Appoint M/s B.R. Maheswari & Co. LLP, Chartered Accountants (Firm Registration No.001035N/N50050),Statutory Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,650,805	142,851,193	99.89
Dissent	-	154,984	154,984	0.11
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 4 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-D.**

e) **Resolution No. 5:-**To appoint Mr. Sunil Mehta as a non-executive director of the Company liable to retire by rotation.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,631	143,006,019	100.00
Dissent	-	158	158	0.00
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 5 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-E.**

f) **Resolution no. 6:-**To appoint Mr. Ashwani Kumar Gupta as an Independent Director of the Company for a five years term.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,637	143,006,025	100.00
Dissent	-	152	152	0.00
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 6 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-F.**

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g) **Resolution No. 7:-**To appoint Mrs. Shubhalakshmi Panse as an Independent Director of the Company for a five years term.

Ordinary Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,685,021	142,885,409	99.916
Dissent	-	120,768	120,768	0.084
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 7 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-G.**

h) **Resolution No.8:–**To Borrow money not exceeding Rupees 80,000 crores at any point of time and to issue non-convertible debentures of face value aggregating up to Rs. 35,000 crores.

Special Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	79,662,606	141,862,994	99.20
Dissent	-	1,143,164	1,143,164	0.80
Total	62,200,388	80,805,770	143,006,158	100

Therefore, the resolution No. 8 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-H.**

i) **Resolution No.9:-**To operationalise Article 86(b) of Article of Association of the Company.

Special Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,669	143,006,057	100.00
Dissent	-	95	95	0.00
Total	62,200,388	80,805,764	143,006,152	100

Therefore, the resolution No. 9 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-I.**

j) **Resolution No. 10:-**To ratify PNB Housing Finance Ltd- ESOP Scheme 2016.

Special Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,618	143,006,006	100.00
Dissent	-	171	171	0.00
Total	62,200,388	80,805,789	143,006,177	100

Therefore, the resolution No. 10 has been approved with requisite majority. Details of poll at AGM & remote e-voting are given in **Annexure-J.**

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k) **Resolution No. 11:-** Addition of Article119A in the Articles of Association of the Company.

Special Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,675	143,006,063	100.00
Dissent	-	95	95	0.00
Total	62,200,388	80,805,770	143,006,158	100

Therefore, the resolution No. 11 has been approved with requisite majority. Details of poll at AGM &remote e-voting are given in **Annexure-K.**

10. The register and all other papers relating to voting by electronic means shall remain in the safe custody of the Scrutinizer until the Chairman considers, approves and signs the minutes and thereafter, the Scrutinizer shall hand over the register and other related papers to the company.

Thanking you,

For SANJAY GROVER & ASSOCIATES
COMPANY SECRETARIES

Sanjay Grover
Scrutinizer
CP No 3850

August 03, 2017
New Delhi

Countersigned by

Chairman

August 03, 2017
New Delhi

k) **Resolution No. 11:-** Addition of Article119A in the Articles of Association of the Company.

Special Resolution				
Particulars	Number of Valid Votes			Percentage
	Poll	e-Votes	Total	
Assent	62,200,388	80,805,675	143,006,063	100.00
Dissent	-	95	95	0.00
Total	62,200,388	80,805,770	143,006,158	100

Therefore, the resolution No. 11 has been approved with requisite majority. Details of poll at AGM &remote e-voting are given in **Annexure-K.**

10. The register and all other papers relating to voting by electronic means shall remain in the safe custody of the Scrutinizer until the Chairman considers, approves and signs the minutes and thereafter, the Scrutinizer shall hand over the register and other related papers to the company.

Thanking you,

For SANJAY GROVER & ASSOCIATES
COMPANY SECRETARIES

Sanjay Grover
Scrutinizer
CP No 3850

August 03, 2017
New Delhi

Countersigned by

Chairman

August 03, 2017
New Delhi

Annexure – A

Details of poll at AGM & remote e-voting for Resolution No.-1 are as under:

A1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	6,22,00,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

A2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,790,989	807,909,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,790,989	807,909,890
d) Votes with assent	226	80,790,913	807,909,130
e) Votes with dissent	4	76	760

Annexure – B

Details of poll at AGM & remote e-voting for Resolution No.-2 are as under:

B1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

B2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	231	80,805,989	808,059,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	231	80,805,989	808,059,890
d) Votes with assent	228	80,805,859	808,058,590
e) Votes with dissent	3	130	1,300

Annexure – C

Details of poll at AGM & remote e-voting for Resolution No.-3 are as under:

C1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

C2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	223	80,739,162	807,391,620
e) Votes with dissent	7	66,627	666,270

Annexure –D

Details of poll at AGM & remote e-voting for Resolution No.-4 are as under:

D1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	-	-	-

D2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	222	80,650,805	806,508,050
e) Votes with dissent	8	154,984	1,549,840

SANJAY GROVER & ASSOCIATES * NEW DELHI * Company Secretaries

Annexure –E

Details of poll at AGM & remote e-voting for Resolution No.-5 are as under:

E1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

E2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	221	80,805,631	808,056,310
e) Votes with dissent	9	158	1,580

Annexure –F

Details of poll at AGM & remote e-voting for Resolution No.-6 are as under:

F1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

F2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	222	80,805,637	808,056,370
e) Votes with dissent	8	152	1,520

Annexure -G

Details of poll at AGM & remote e-voting for Resolution No.-7 are as under:

G1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

G2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	219	80685021	806,850,210
e) Votes with dissent	11	120,768	1,207,680

Annexure –H

Details of poll at AGM & remote e-voting for Resolution No.-8 are as under:

H1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

H2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	229	80,805,770	808,057,700
b)Less: Abstained	0	0	0
c) Net Valid votes cast	229	80,805,770	808,057,700
d) Votes with assent	216	79,662,606	796,626,060
e) Votes with dissent	13	1,143,164	11,431,640

Annexure -I

Details of poll at AGM & remote e-voting for Resolution No.-9 are as under:

I1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

I2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	228	80,805,764	808,057,640
b)Less: Abstained	0	0	0
c) Net Valid votes cast	228	80,805,764	808,057,640
d) Votes with assent	223	80,805,669	808,056,690
e) Votes with dissent	5	95	950

Annexure –J

Details of poll at AGM & remote e-voting for Resolution No.-10 are as under:

J1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

J2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	230	80,805,789	808,057,890
b)Less: Abstained	0	0	0
c) Net Valid votes cast	230	80,805,789	808,057,890
d) Votes with assent	221	80,805,618	808,056,180
e) Votes with dissent	9	171	1,710

Annexure -K

Details of poll at AGM & remote e-voting for Resolution No.-11 are as under:

K1. VOTING THROUGH POLL:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	73	62,200,411	62,20,04,110
b)Less: Invalid Votes	3	23	230
c) Net Valid votes cast	70	6,22,00,388	62,20,03,880
d) Votes with assent	70	6,22,00,388	62,20,03,880
e) Votes with dissent	0	0	0

K2. VOTING THROUGH REMOTE E-VOTING:

Particulars	No. of voters	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)
a)Total votes received	229	80,805,770	808,057,700
b)Less: Abstained	0	0	0
c) Net Valid votes cast	229	80,805,770	808,057,700
d) Votes with assent	224	80,805,675	808,056,750
e) Votes with dissent	5	95	950

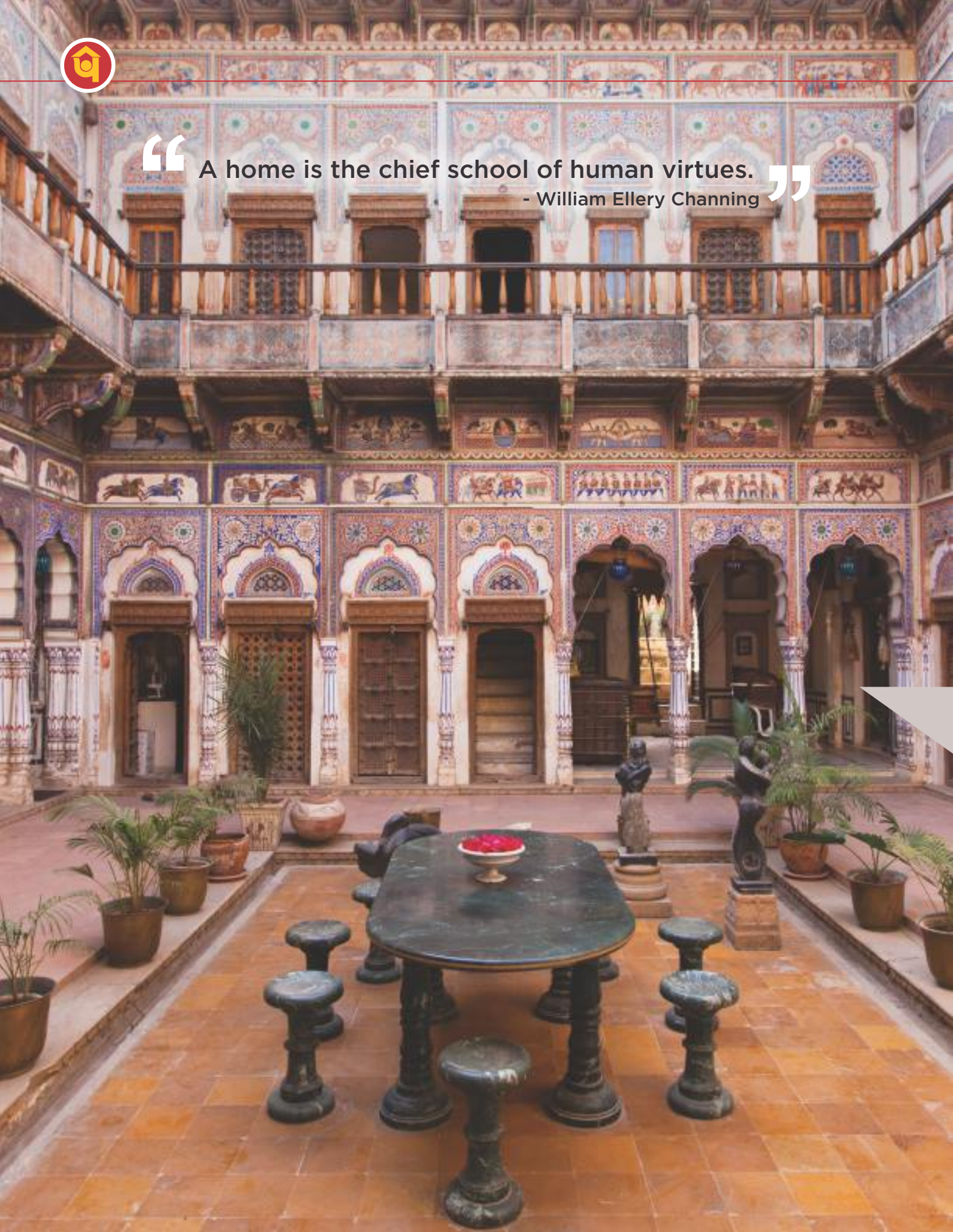
pnb Housing Finance Limited

Ghar Ki Baat

INSPIRATION BEGINS AT HOME

29th Annual Report

2016-17


“A home is the chief school of human virtues.”
- William Ellery Channing

This profound quote from William Channing describes how a home is more than just a shelter for mankind. A home is a nurturing ground for values, cultures, ideologies and people. In fact, the foundation of a great society starts with strong families which live in homes brimming with happiness, bonding and progressive thinking. Interestingly, even the styles in which houses are built appear to preach some virtue or the other.

Being in the housing finance sector, we at PNB Housing have a natural bent towards emotional aspects of the term 'home'. We believe that homes all around the world give out subtle messages. We have compiled our interpretation of these messages as the theme for our Annual Report 2016-17. We hope you enjoy savoring these messages as much as we have enjoyed creating them for you!

Haveli, India

'Havelis' are traditional mansions found in India. A typical Haveli would be built around an 'Aangan' or courtyard based on the ancient principles of 'Vastu Shastra', which states that all spaces emerge from a single point - the centre of the house.

An 'Aangan' is a lounging place for the family members - for informal interactions, sharing of knowledge, rituals, ceremonies and a host of other activities. These 'Aangans' served as learning centres where they were initialed to the importance of values, caring, relationships etc.

CONTENTS

28 ..... Growth Story of PNB Housing

30 ..... Corporate Information

31 ..... Profile of the Board of Directors

34 ..... Senior Management Team

35 ..... From the Chairman's Desk

38 ..... From the Managing Director's Desk

45 ..... Management Discussion and Analysis

66 ..... Directors Report

75 Annexure to Director's Report

99 Report of the Directors on Corporate Governance

111 General Shareholder Information

114 Auditor's Report

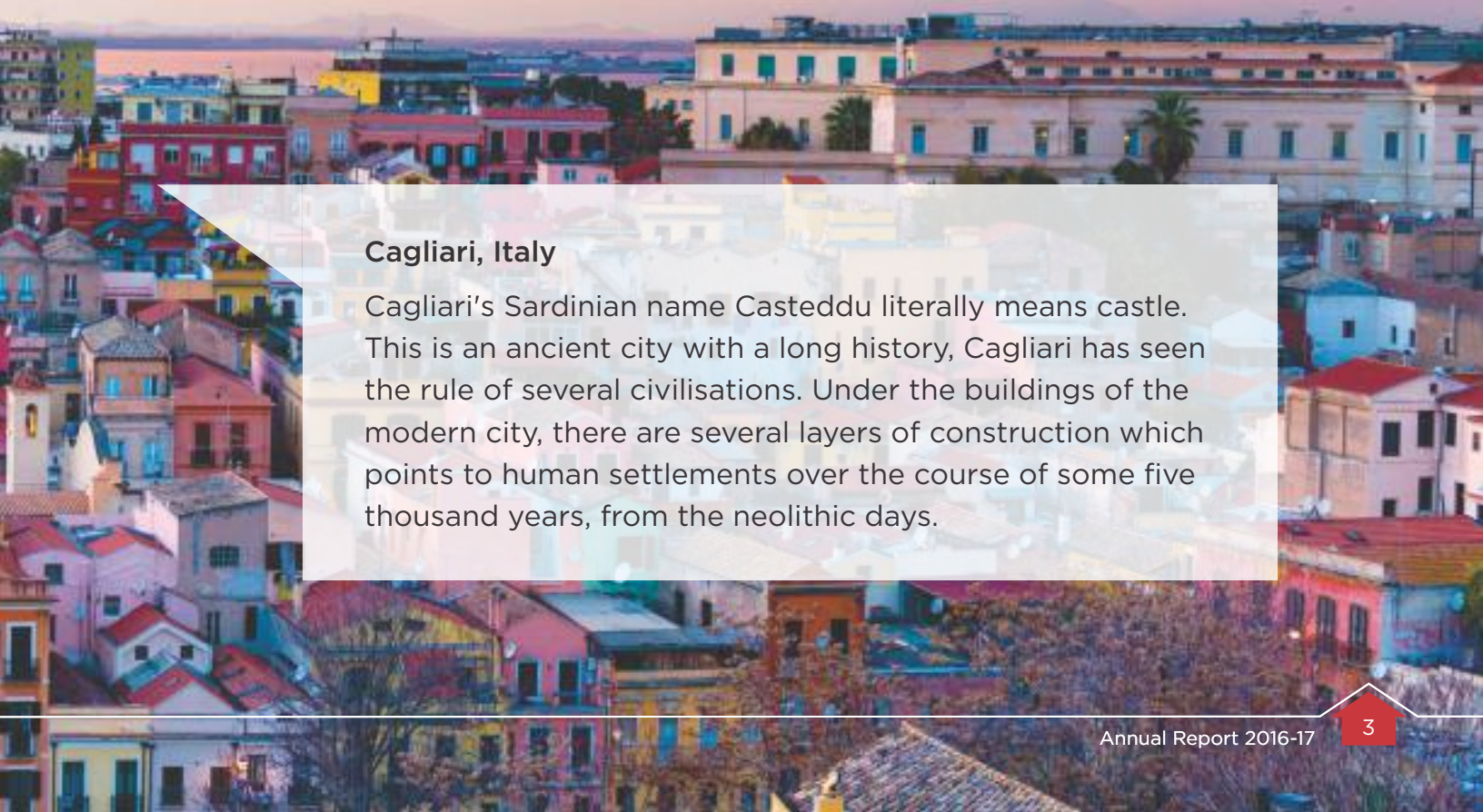
120 Balance Sheet

121 Profit and Loss Statement

122 Cash Flow Statement

124 Notes to Financial Statement

165 Glimpses



Cagliari, Italy

Cagliari's Sardinian name Casteddu literally means castle. This is an ancient city with a long history, Cagliari has seen the rule of several civilisations. Under the buildings of the modern city, there are several layers of construction which points to human settlements over the course of some five thousand years, from the neolithic days.

PNB HOUSING FINANCE IS A CONTEMPORARY ORGANISATION WITH ITS ROOTS EMBEDDED IN CULTURE AND ETHOS OF INDIA

The Company

... has been serving home aspirants across the nation since the last 29 years

... is operating pan India with 63 branches, 27 outreach locations in 60 cities across India

... is the 5th largest housing finance company by asset base size*

... has the 2nd largest deposit book amongst leading HFCs in the Country*

... is positioned amongst the fastest growing HFCs in the Country

... offers a wide range of products in home loans, non-home loans, construction finance to real estate developers and deposits

... is known for fostering convenience and delight for its customers

... is a public listed entity, its initial public offering was one of the most successful IPOs during FY2016-17

*Imac's Report

Traditional homes of Kerala, India

The designs of the traditional homes in Kerala follow ancient styles dating back to the Dravidian era. These ancient designs combine, very well, with scientific concepts used in construction. In place of concrete, soft laterite is used as it gets harder and stronger with time. Timber is also used as structural material which is most suitable for accurate joinery, artful assembly and detailed carving.

Homes of Ndebele Tribe of South Africa

The Ndebele people of South Africa created their own tradition of house painting where the women paint their houses with colourful designs and symbols. Every wall of a house becomes a canvas of expression, exhibiting the colourful side of their personality.

BE **COLOURFUL**

At PNB Housing, we make our profile more vibrant by adding colours.

HIGHLIGHTS FOR FY2016-17

During the year, the loan assets expanded to INR 38,531 crores marking a growth of 42% since last fiscal

The quality of portfolio remained high with gross NPAs being one of the lowest in the sector at 0.22%

A prudent portfolio mix was maintained with 71% exposure to housing loans and 29% to non housing loans

Deposits contributed 26% to loan assets indicating that the Company is self generating its raw material required for lending operations

The Company improved upon its self-sufficiency with 59% of business sourced from in-house channels

As part of the expansion plan, the Company introduced a new concept of outreach locations which functions as representative office of PNB Housing

New doors of 'customer convenience' were opened through launch and upgradation of customer friendly digital portals

'Unnati' home loan program was introduced to serve the home aspirants in the mass housing segment

STANDING TALL

PNB Housing stands tall today, with unprecedented growth and an impressive performance delivery, despite stiff competition and a challenging environment. With a strong framework and robust structure, it has emerged on the home loan landscape as an Organisation that has helped millions of Indians realize one of their most important aspirations in life of owning a home.

5 YEARS JOURNEY AT A GLANCE

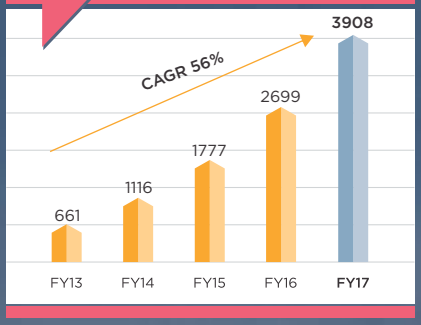
(₹ in crores)

	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Total Revenue	661	1116	1777	2699	3908
Profit Before Tax	126	176	296	503	804
Profit After Tax	92	127	196	326	524
Net Worth	621	935	1581	2146	5577
Dividend	25%	30%	30%	34%	60%
Deposits Outstanding	1051	1712	4897	7121	9987
Loan Approvals	6091	8840	15076	23011	32225
Loan Disbursements	3682	5500	9440	14456	20639
Loan Outstanding	6621	10591	16819	27177	38531
Gross NPA	0.56%	0.32%	0.20%	0.22%	0.22%
Net NPA	0.35%	0.16%	0.07%	0.14%	0.15%

Corfu Island, Greece

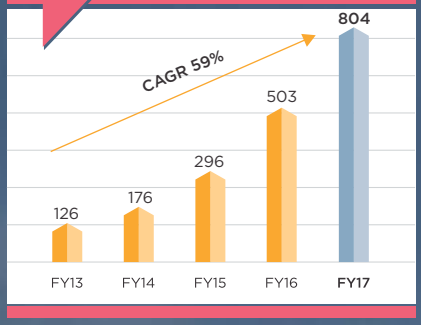
(₹ in crores)

TOTAL REVENUE



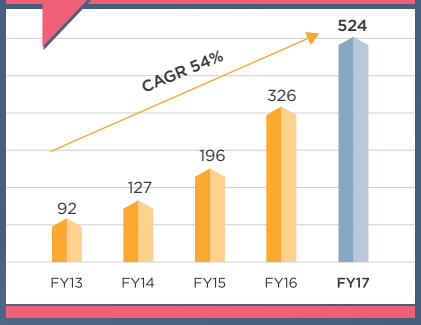
(₹ in crores)

PROFIT BEFORE TAX



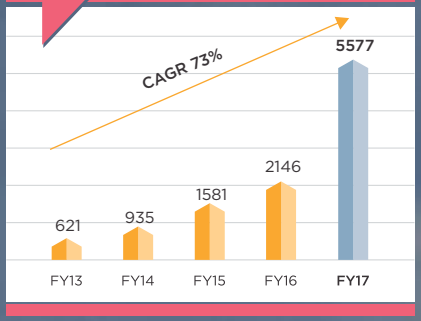
(₹ in crores)

PROFIT AFTER TAX

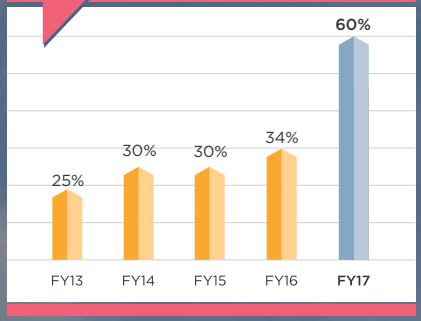


(₹ in crores)

NET WORTH



DIVIDEND



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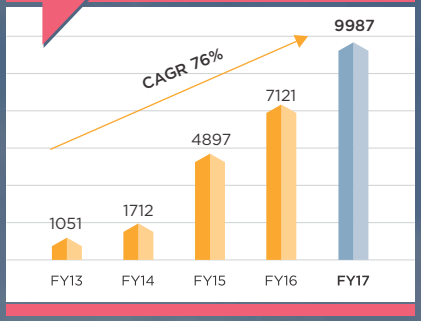
DEPOSIT OUTSTANDING



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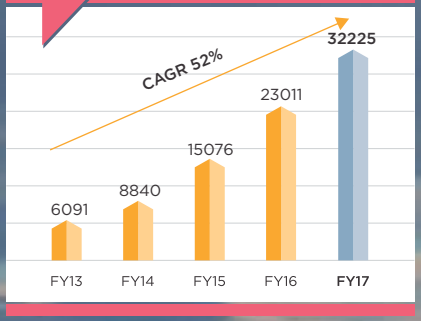
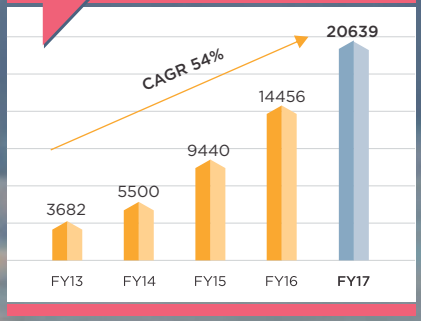
LOAN APPROVALS



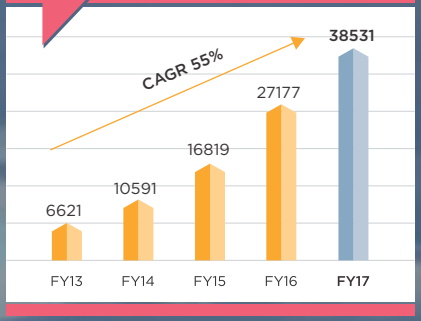
(₹ in crores)

LOAN DISBURSEMENTS

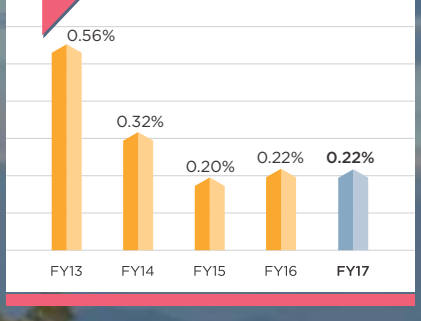


(₹ in crores)

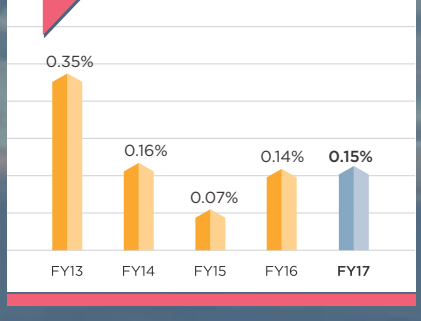
LOAN OUTSTANDING



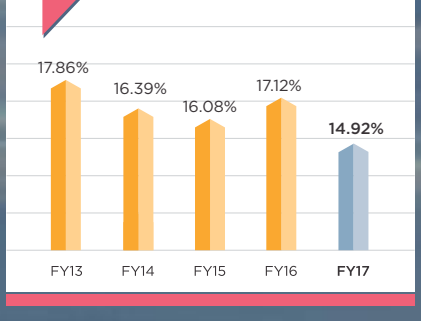
GROSS NPA



NET NPA



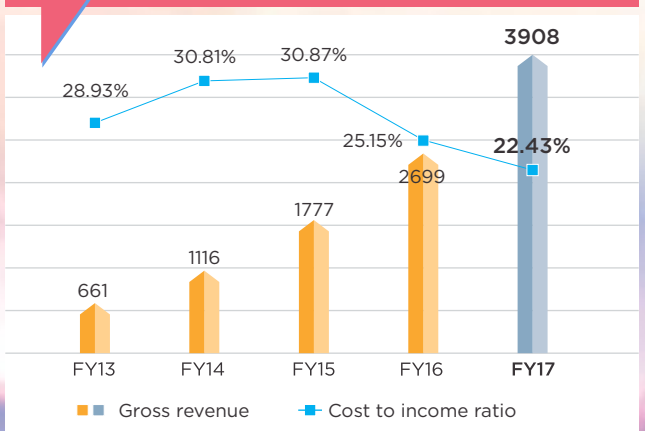
ROE MOVEMENT



OPERATIONAL EFFICIENCY OVER THE LAST FEW YEARS

(₹ in crores)

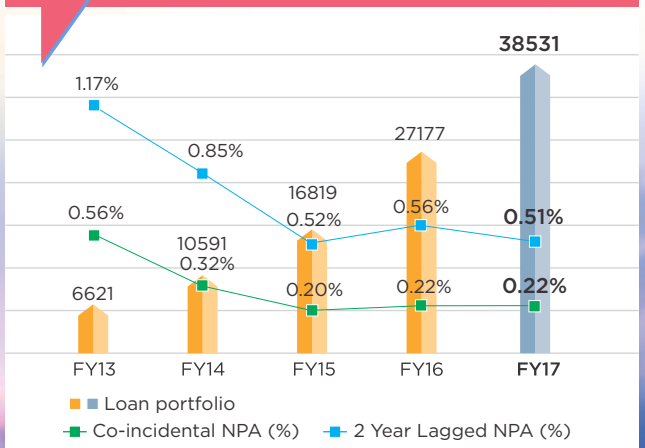
GROSS REVENUE & COST TO INCOME RATIOS



The gross revenues soared while cost to income ratio continued to decline

(₹ in crores)

PORTFOLIO BUILT UP



The Loan book has been surging while maintaining one of the finest quality portfolios in the sector

Igloo, Arctic Region Canada

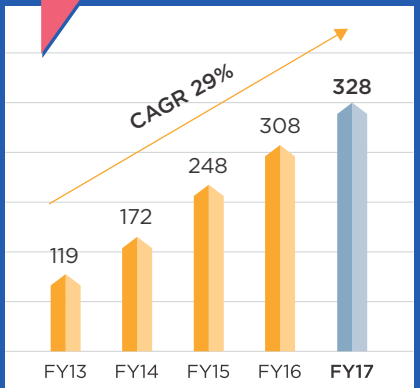
A house made from snow! As strange it may sound, it was a solution found by the inhabitants to confront the icy cold climate of the region. The air pockets trapped in snow works as an insulator keeping the inside of the enclosure warmer than the outside.

BE **EFFICIENT**

PNB Housing works on a lean business model, and makes optimum utilisation of resources to generate unparalleled customer experience.

(₹ in crores)

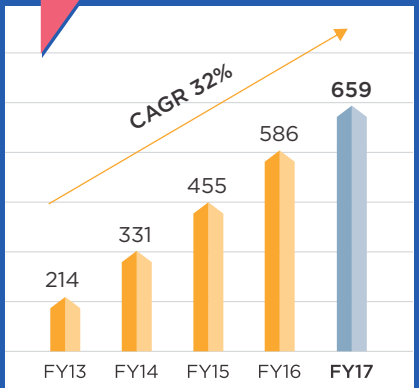
DISBURSEMENT PER BRANCH Y-O-Y



Per branch disbursement has witnessed a siginificant rise in the last few years

(₹ in crores)

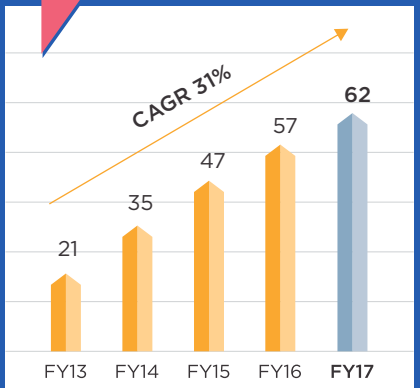
AUM PER BRANCH Y-O-Y



Per branch AUM has been growing steadily

(₹ in crores)

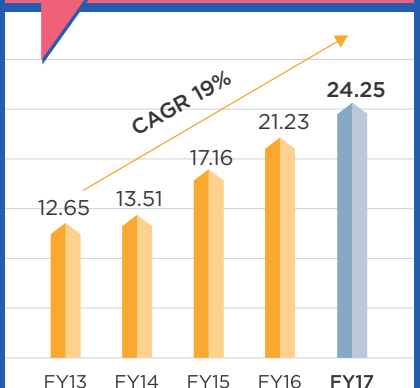
REVENUE PER BRANCH Y-O-Y



Per branch revenue has registered a notable growth

(₹ in crores)

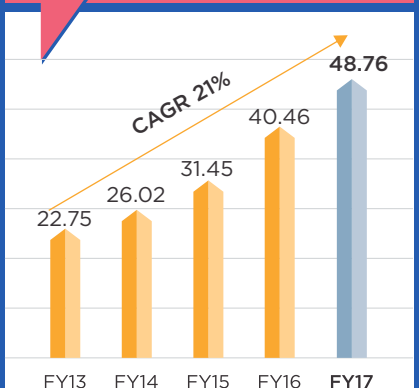
DISBURSEMENT PER AVERAGE EMPLOYEE Y-O-Y



The Company has witnessed a remarkable growth per average employee disbursement over the years

(₹ in crores)

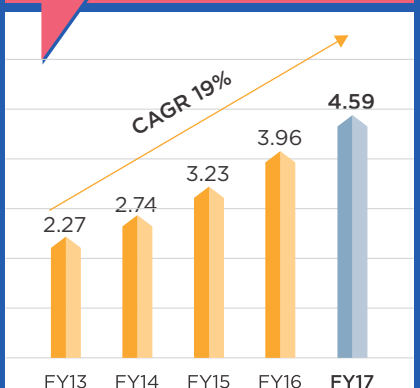
AUM PER AVERAGE EMPLOYEE Y-O-Y



AUM per average employee has grown substantially

(₹ in crores)

REVENUE PER AVERAGE EMPLOYEE Y-O-Y



Revenue per average employee has surpassed INR 4.5 crores

BE
TOGETHER

Homes of Anuak Tribe, Ethiopia

Anuak people live in villages in the Omo valley. The villagers share each other's resources. They often collect at the centre of the village to cook together - propagating community living!

Team PNB Housing is bonded by togetherness. We are one big family comprising of customers, associates, stakeholders and employees, where each member contributes in achieving the common objectives of the Organisation.

BE
DEPENDABLE

Timber Framed Homes of Germany

Many homes in Germany use the traditional timber framing method for construction. Heavy squared off and carefully fitted wood is used, with joints secured by large wooden pegs. This framework provides a strong and durable structure that lasts for hundreds of years.

At PNB Housing, it is our goal to uphold our stature as a strong, dependable brand that our customers and associates can trust.

PNB Housing stands today, on a strong framework of people, processes and technology.

We enrich the customer experience through a spread of digital applications that enhance operational efficiency, and facilitate customer interface, without compromising on personal touch.

This solid framework also ensures that the customer experiences the entire home loan and deposit process as convenient and trustworthy - entrenched with customer delight.

BE
ADAPTIVE

Gers, Gobi Desert, Mongolia

Ger is a moveable house used by the nomads of Mongolia who often migrate. It can be dismantled and set up easily anywhere, and serves as a comfortable home.

A typical Ger has two poles in the center which support the house with the framework. They cover the framework with white cloth filled with wool to insulate from extreme temperatures. In the center, they place a stove and the ceiling can be opened for the smoke to escape.

PNB Housing stays in sync with time. We are contemporary in profile and flexible in our approach.

This year we have launched products like 'Unnati' to align our efforts with the Government's 'Housing For All' and 'Pradhan Mantri Awaas Yojana' missions. Such initiatives are our modest endeavors to benefit the nation at large.

BE
RESILIENT

Dover Castle - Kent, England

Dover Castle is a medieval castle in Dover, Kent. Founded in the 11th century it is known as the 'Key to England'.

The castle is the largest in England. It's strategic design and positioning have been very effective in guarding the Country from invasion.

The housing finance sector is vulnerable to various types of risks and it is imperative that the institutions in this sector insulate themselves from these perils. We, at PNB Housing, have build to sustain a robust risk management framework to take care of business risk, credit risk, liquidity risk and reputation risk.

BE
DISTINCT

Thatched Cottages of England

It is easy to recognise an English Thatched Cottage owing to its distinct architecture. The entire unit seems a manifestation from the world of fairy tales, leaving the beholder spellbound.

At PNB Housing, it is our effort to weave a magical experience for our customers by the warmth of our services, helping us earn a special place in their hearts.

Manifested in maintaining the distinction as one of the fastest growing housing finance companies in India since the last five years. Our numbers continue to outperform the sectoral indicators. Our business is substantiated with one of the lowest NPAs in the sector.

BE
RESPONSIBLE

Mud Houses of Mali

The mud homes of Mali are comfortable and yet eco-friendly. They are built with locally available resource, mud. Such homes remain cool in extreme heat and also symbolise the fact that the residents care for their natural surroundings.

PNB Housing believes in uplifting the socio-economic environment. It is our prime objective to create an influx of positivity in the housing finance landscape, through our business activities and CSR initiatives.

Generation of employment, implementation of welfare schemes for the underprivileged, fulfilling housing dreams, funding support to 'green buildings' and other initiatives are components of our conscious efforts to make the world a better place for all.

BE **MOTIVATED**

During the year, various recognitions earned, have strengthened our team's determination, morale and spirit

The Palace of Mysore, Karnataka

This historical palace is the official residence and seat of the Wodeyars, the royal family of Mysore. One of the precious possessions of the nation, it is an epitome of India's rich culture and heritage.

AWARDS & ACCOLADES

Awarded for Brand Excellence in NBFC Category

PNB Housing awarded for Brand Excellence in NBFC Category at The Economic Times Best BFSI Brands 2016 by Shri. Manish Sisodia, Hon'ble Deputy Chief Minister of Delhi and Shri. Shaktikanta Das, Secretary, Department of Economic Affairs, Ministry of Finance.

Adjudged Winner for Brand Excellence in Banking, Finance and Insurance Sector

PNB Housing bagged the award for 'Brand excellence in Banking, Finance and Insurance sector' at the prestigious 7th CMO Asia Awards in Singapore. The awards recognize brands for their Excellence in Branding & Marketing.

Featured among the 'Best Adversity Management Stories of Asia Study 2016'

PNB Housing received the award, instituted by Learning & Organisational Development Roundtable, as a testament of the best practices followed by the Company while building new capabilities and leveraging human potential.

Awarded 'Certificate of Merit' as 'Housing Finance Company of the Year'

PNB Housing awarded 'Certificate of Merit' as 'Housing Finance Company of the Year' by CMO Asia at ABP News Presents Real Estate Awards.

Awarded 'Housing Finance Company of the Year'

PNB Housing received 'Housing Finance Company of the Year' award by Franchise India and ET Now at the 9th Annual Estate Awards 2016.

Recognized for Contribution in Promoting Green Buildings' Initiative

PNB Housing felicitated by International Finance Corporation (IFC) at the 2016 International Sustainable Finance Forum in Bali for its contribution in promoting green buildings initiative.

Felicitated for Valuable Contribution to CREDAI Skilling Program at CREDAI Conclave 2017

PNB Housing accredited for the valuable contribution rendered to CREDAI Skilling Program at the CREDAI Conclave 2017 by Hon'ble Minister for Skill Development and Entrepreneurship, Shri Rajiv Pratap Rudy.

Certified as a Great Place to Work

PNB Housing certified as a Great Place to Work in a survey established by the Great Place to Work Institute (GPTW) testifying the Company's work culture which thrives on the core value of "People First" by fostering Trust, Pride and Camaraderie.

Awarded for 'Excellence in Financial Services'

PNB Housing awarded for 'Excellence in Financial Services' by Dainik Bhaskar at the India Pride Awards 2016-17. The accreditation was given by Hon'ble Minister of Telecom and Union Minister of State Railway Shri Manoj Sinha.

...Commenced Journey in 1988

2017

- AUM crossed INR 40,000 crores mark
- Deposits crossed INR 9,900 crores
- Certified as a "Great Place to Work" by building a 'High Trust, High Performance Culture'

2015

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

2014

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

2013

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

2012

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

2009

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

2006

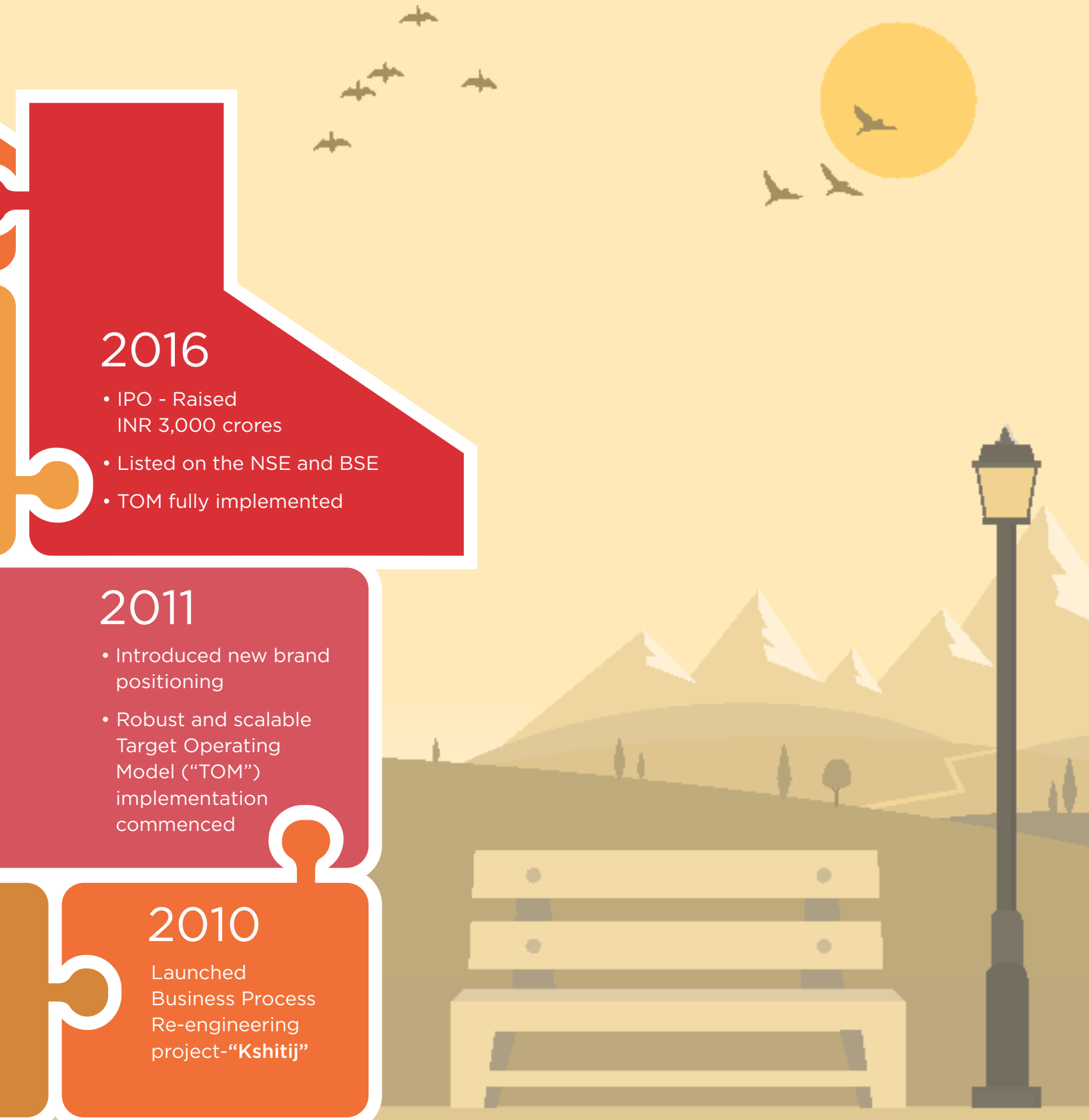
Crossed INR 1,000 crores loan portfolio.

2003

Notified under SARFAESI Act

1988

Company incorporated



2016

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

2011

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

2010

Launched Business Process Re-engineering project-**"Kshitij"**

CORPORATE INFORMATION

DIRECTORS ON BOARD

Mr. Sunil Mehta
Chairman

Dr. Ram S. Sangapure

Mr. Sunil Kaul

Mr. S. K. Jain

Mr. R Chandrasekaran

Mr. Nilesh S Vikamsey

Prof. (Dr.) Gourav Vallabh

Mr. Ashwani Kumar Gupta

Mr. Sanjaya Gupta
Managing Director

DIRECTORS RESIGNED WITH EFFECT FROM

Smt. Usha Ananthasubramanian
Chairperson
(w.e.f. 5th May 2017)

Mr. Tejinder Singh Laschar
(w.e.f. 12th January 2017)

Mr. Devinjit Singh
(w.e.f. 26th May 2017)

AUDITORS

B. R. Maheswari & Co.
M-118 Connaught Circus,
New Delhi - 110 001

TRUSTEES FOR DEBENTURE HOLDERS

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

LEGAL ADVISORS

Vaish Associates, Advocates

CHIEF FINANCIAL OFFICER

Mr. Jayesh Jain

COMPANY SECRETARY

Mr. Sanjay Jain

REGISTERED AND CENTRAL SUPPORT OFFICE

9th Floor, Antriksh Bhawan,
22, K. G. Marg, New Delhi-110 001

BANKERS & FINANCIAL INSTITUTIONS

Asian Development Bank

Australia and New Zealand Banking Group Limited

Axis Bank Limited

Bank of Baroda

Bank of Maharashtra

Barclays Bank PLC

CTBC Bank Co. Ltd.

HDFC Bank Limited

ICICI Bank Limited

IDFC Bank Limited

International Finance Corporation

Kotak Mahindra Bank Limited

National Housing Bank (Refinance)

Punjab National Bank

RBL Bank Limited

State Bank of India

The Jammu & Kashmir Bank Limited

Union Bank of India

United Bank of India

Vijaya Bank

Yes Bank Limited

Profile of

DIRECTORS ON THE BOARD OF PNB HOUSING

Mr. Sunil Mehta
DIN No. 07430460

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

Dr. Ram S. Sangapure
DIN No. 03297417

He is a Non-Executive Director of PNB Housing Finance Limited. He is currently the Executive Director of Punjab National Bank. He has also worked at Central Bank of India and retired from the post of General Manager. Prior to that Dr. Sangpure worked at Industrial Development Bank of India for five years. He has also served as a visiting member of the Faculty of Economics, University of Pune. He has significant experience in the field of banking and finance.

Mr. Sunil Kaul
DIN No. 05102910

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

Mr. R Chandrasekaran
DIN No. 00580842

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

Mr. S. K. Jain
DIN No. 00047474

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

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

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

Mr. Nilesh S Vikamsey
DIN No. 00031213

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

Mr. Ashwani Kumar Gupta
DIN No. 00108678

He is an Independent Director on the Board of PNB Housing Finance Limited. He is a member of The Institute of Chartered Accountants of India, 1977 Batch. He has also served as the Regional Council Member of Central India Regional Council of The Institute of the Chartered Accountants of India. He has been 'Government Nominee' on the Board of Joint Sector Companies and Reserve Bank of India Nominee on the Boards of various banks. He has over 34 years of experience in finance, treasury, real estate, securitization and re-construction of assets.

Mr. Sanjaya Gupta
DIN No. 02939128

He is the Managing Director of PNB Housing Finance Limited since 2010. Prior to his current assignment, Mr. Gupta has worked for large corporate houses like HDFC Limited, ABN Amro Bank N.V. and AIG United Guaranty. He is an Independent Director at India Shelter Finance Corporation Ltd., where he also heads the Audit Committee of the Board and is on the NPS Committee of the PFRA to advice on investment in housing sector. He is also a Fellow of the Royal Institution of Chartered Surveyors. Throughout his career spanning over 31 years, he has been contributing to the ontogenesis of mortgage industry and allied risk management products across India. He is often consulted by the policy makers for key changes in the sector.

SENIOR MANAGEMENT TEAM

Left to Right

Mr. Sanjay Jain
Company Secretary & Head Compliance

Mr. Anshul Bhargava
Chief People Officer

Mr. Ajay Gupta
Chief Risk Officer

Mr. Sanjaya Gupta
Managing Director

Mr. Shaji Varghese
Business Head

Mr. Nitant Desai
Chief Operations & Technology Officer

Mr. Jayesh Jain
Chief Financial Officer

Chairman's Message

> The IPO turned out to be one of most awaited investment opportunities for the national and international investors, who gave an overwhelming response to the IPO.

On behalf of the Board of Directors, it is my privilege to present the Annual Report and the consolidated financial statements of the Company for the year ended 31st March, 2017.

The financial year 2016-17, has become a landmark year in the journey of PNB Housing with the public listing of the equity shares on the National Stock Exchange and the Bombay Stock Exchange. Our initial public offering (IPO) was the 2nd largest in India during the FY2016-17. The IPO turned out to be one of most awaited investment opportunities for the national and international investors, who gave an overwhelming response to the IPO. Since listing, the share price has been trading on a smart premium over the offer price. I take this opportunity to express my gratitude to the investor community for their whole-hearted support.

Your Company has once again, delivered strong results despite volatile external environment. The Company has developed strong internal systems and processes to withstand market volatility. Your Company continues to be amongst the fastest growing HFCs in the Country, while maintaining a high asset quality. This is reflected by low levels of NPAs, amongst the best in the industry.

The seed for strong growth requires development of organizational capability. The Company has continued to make meaningful investments in people, processes and technology. These are long term investments for the future.

The Company is now a matured organization with strong belief in corporate governance and compliances. As we grow, we have strengthened corporate governance and risk management framework. We want to be recognized as a dependable Company striving for growth with a strong governance model.

The Company now stands on a strong foundation having the available potential resources. Our endeavor is to capitalize upon this potential to enable sustainability of our business, growth for all the stakeholders and upliftment of the society at large.

Although, our fundamentals are healthy, yet we cannot ignore the uncertainty prevailing in the external environment. Therefore, without being overly cautious in our approach, the Company's management team is closely tracking and proactively managing changes in the environment that may impact our business. The Board of Directors has great confidence in the Company's prospects. We are geared up to seize growth opportunities, despite new challenges that may lie ahead.

We see the global economic activity to pick up with the long-awaited cyclical recovery in investment, manufacturing and trade with slight to moderate rise in global demand and optimism in the financial markets.

> India continues to be significantly short in both urban and rural housing. Housing requires better affordability and the Government has positively worked in making housing more affordable to a common man.

India, is today a good reference model for developing countries to face the external pressures. The Indian economy continues to perform encouragingly with the GDP growth of around 7% in the last fiscal. The retail as well as wholesale inflation are on a declining trend as a causatum to demonetization. With new initiatives, we expect the credit offtake improving.

The Country has taken a historical reform in the form of GST, which is a significant initiative of the Government. It is the most significant tax reform post-independence and will surely lead to significant surge in growth, which is a very positive signal for the housing finance industry.

India continues to be significantly short in both urban and rural housing. Housing requires better affordability and the Government has positively worked in making housing more affordable to a common man. The Government has redefined the middle income family and low income family under the "Pradhan Mantri Awas Yojana" and "Housing for all". This is a direct step aimed at improving affordability, which is a major hindrance for a large section of the population as on date. The government is also working on integrating transport, infrastructure and housing, which are essential to improve living conditions in the urban centers.

The Real estate developers have started deploying their resources towards affordable housing, and are calibrating their business strategies accordingly. This shift towards affordable housing will be a boost to the government initiatives, especially in the suburban centers, tier II and tier III cities.

Another healthy development is better availability of funds in the real estate sector, especially by the Private Equity (PE) investors. The REIT and InvITs will also provide the sector an effective access to financial resources for long term requirements.

An important reform undertaken during the year was the passage of Real Estate (Regulation and Development) Act. This new enactment is aimed at ensuring accountability of the developer towards timely delivery and transparency. The effective implementation of RERA by states will lead to healthy development and confidence in home purchases.

PNB Housing has entered the new financial year with full confidence and a positive outlook. The Company will further expand into new geographies. At the same time, we will continue to fulfill our responsibility towards the society through our CSR initiatives and are hopeful that the impact of our initiatives will prove to be highly effective in development of our Nation.

As I conclude, I extend my gratitude to the outgoing Chairperson Smt. Usha Ananthasubramanian, from whom I had taken charge, for having guided the Company towards growth and public listing of Company's equity stock.

I am happy to emphasize that PNB Housing is being steered by an energetic management team, headed by Mr. Sanjaya Gupta. The team has transformed the brand image of PNB Housing, to that of a contemporary, convenient and trustworthy housing finance solution provider.

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I thank the Directors on the Board for their valuable guidance, which is ensuring that the organization never loses sight of its vision, values and the broader purpose it is meant to serve.

I also take this opportunity to thank the National Housing Bank for invigorating the housing finance ecosystem in the Country.

I extend my gratitude to The Reserve Bank of India which tends to the needs of the sector with encouraging interventions, making it more lucrative for the customers.

Lastly, let me assure you that the best is yet to come for the sector and for your Company. Together let us ignite hope, encourage dreams and eventually make them a reality.

Yours Sincerely,

Sunil Mehta
Chairman

Managing Director's Address

> It is this common belief that binds the team together at PNB Housing as a motivated and committed unit, striving to fulfill the housing dreams of people from all walks of life.

Any developing country's growth is determined by the scale and extent of development of its weakest economic class. By this yardstick, India has a long journey ahead, before we call ourselves a developed Nation.

As a housing solution provider, PNB Housing has a major role to play in ensuring that the National Mission of 'Housing for All' becomes a reality. We believe that as long as there is even a single family that does not have access to a home, our Company's true purpose of existence will not be achieved. It is this common belief that binds the team together at PNB Housing as a motivated and committed unit, striving to fulfill the housing dreams of people from all walks of life.

On this note, I present to you the 29th Annual Report 2016-17 of PNB Housing Finance Limited.

Once again, the year's performance has been impressive, as evident in the strong top and bottom line growth. I would like to extend my congratulations to the entire team for the huge effort put in on all fronts to deliver this result despite a very challenging external environment.

We had started the financial year with a subdued global economy. Events like BREXIT, the US Presidential elections and troubles in the Middle East all contributed to large scale uncertainties speculation, and generally a dull sentiment.

Our growth tapered somewhat, as a fall out of the historic initiative of demonetization. However, the impact was short lived and within a short span the economy has again picked up pace and we are confident that India is 'transforming' into a tax compliant and corruption free economy.

Sanjaya Gupta
Managing Director

> Initiatives that relate to affordable housing, such as 'Housing for All' and 'Pradhan Mantri Awaas Yojana', are expected to act as catalysts to the National agenda of making homes available and affordable for every Indian citizen.

Real estate prices thankfully remained stable, despite speculation that the sector would implode into a deep price correction as a consequence of the liquidity crunch. The Country is moving towards a 'cashless' economy, and this trend has had a favorable impact on our sector. The organized credit market has been impacted favorably, because the reduced liquidity is taking off the cash component in real estate transactions. Also, interest rates have eased making home loan more affordable for the buyers.

I take this opportunity to welcome certain initiatives announced by the Government of India, in the Indian Union Budget 2017-18. The launch of these initiatives are indicative of the fact that our Country is determined to pursue an agenda of 'socio-economic reform'.

Initiatives that relate to affordable housing, such as 'Housing for All' and 'Pradhan Mantri Awaas Yojana', are expected to act as catalysts to the National agenda of making homes available and affordable for every Indian citizen.

Furthermore, initiatives like RERA and GST will have a direct favorable impact on the real estate sector. Both these initiatives will benefit the supply as well as the demand side of the housing equation.

FY 2016-17

The financial year 2016-17, was termed by us, as the year of 'Shakti' (strength), for it has rendered us new strengths to create lasting value for our customers, shareholders as well as our employees.

Our IPO was extremely well received in the capital market, and its success was truly empowering. After the approval period that lasted almost an year, the IPO was finally launched on November 7, 2016. The IPO approval however got delayed and this delay threw up unexpected challenges. The marginal gearing of NOF reached alarming levels, making day to day business operations critical. Our dedicated team however, pursued the IPO approvals vigorously, while also ensuring that day to day operations do not get impacted. The retail deposit franchise supported us, and funded a lion's share of the debt requirement. We were also successful in securitizing a loan book portfolio of INR 3,377 crores during this period to manage liquidity.

The IPO was very well received in both, the domestic and international markets. It was gratifying to note that besides the speculative environment due to demonetization, the stock price of PNB Housing remained buoyant and was traded significantly above its issue price. The enthusiastic response to the IPO strengthened our belief that we are successfully moving on the right path of responsible growth and compliance.

> The financial year 2016-17, was termed by us, as the year of 'Shakti' (strength), for it has rendered us new strengths to create lasting value for our customers, shareholders as well as our employees.

In terms of performance indicators, our loan portfolio saw a robust growth of 42% compared to the overall sector growth of around 16% making us one of the fastest growing housing finance companies in the Country. The loan portfolio has crossed INR 38,531 crores. On the other hand, our gross NPAs were contained at 0.22%, which is one of the finest in the sector.

To maintain the net interest margins of your Company, we follow a prudent borrowing strategy which optimizes the cost of debt significantly and allows fair pricing of loan products. Our treasury operations have also grown significantly and are less vulnerable to short term debt market cycles. We have sourced business at portfolio yield of 10.66% and non fund based income of 0.90% which has helped us in encapsulating our gross margins. Our ROE, at the end of the year, has averaged to 14.92% while our cost to income ratio has been contained at 22.43%. The net profits for the year reached an all-time high of INR 524 crores, marking a rise of around 60% over the previous year.

Deposits comprised of 28% of our borrowing making them the second largest contributor after bonds. We closed the year with deposits surpassing INR 9,987 crores, representing a growth of 40% over the last year. Your Company continues to be the second largest HFC in terms of deposit outstanding.

The above performance was delivered despite a general gloom in the real estate sector that followed demonetization. During these times, the robustness of our Organization was put to test. The team displayed immense resilience, cohesiveness and high morale while steering the Company through the challenging period.

Our Organization has been shaped with an optimum blend of people, processes and technology that contribute to our Target Operating Model (TOM). The team put up a brave front while standing together and sailed through the storm with an inspiringly high morale. Our stronghold rests on the three pillars of our values based work culture, namely 'people first', 'customer centricity' and 'ethical standards'. These attributes helped us in retaining our valuable human assets during this testing time.

At PNB Housing, we are determined to be a "preferred employer" for talented career seekers. It is our conscious effort to ensure that the Organisation's growth and development of our people stay in harmony. Our HR processes are aligned to keep our employees engaged and motivated with minimal attrition. This year your Company was accredited as a 'Great Place to Work', in a survey conducted by Great Place to Work® Institute. This recognition is a testimony to the faith that our employees have in the work culture of the Company.

To support the human effort, PNB Housing is equipped with 'state of the art' digital interventions across its operations. Much of our technological advancements have been developed indigenously based on decades of experience. The new Enterprise System

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Solution (ESS), has led to greater accuracy and efficiency in back end operations, enabling the team to focus on the customer and service delivery. With ESS in place, we have set new standards for delighting customers and ease of doing business with our business associates.

The PNB Housing customer mobile app, which is aligned to our customer portal takes the home loan experience to a next level by bridging the gap between the Company and techno-savvy consumers.

While our ambitions are high they are constantly challenged by risks inherent to the dynamics of housing finance sector. We address these risks successfully with an efficient risk management framework. The recent gloom pushed us to be on our toes to mitigate the expected perils arising due to defaults. I must highlight that our recovery team, backed by robust processes, was able to handle the recoveries seamlessly.

The Target Operating Model of the Company, woven into a well aligned hub and spoke network, has helped us bring economies of scale and standardization in our operational activities. I am pleased to also report that our 'Central Operations' is now certified ISO 9001:2015 for effective quality management.

This year we stepped forward to neutralize the dullness prevailing across the sector with a first of its kind event, the 'Ghar Utsav' – a Delhi NCR property exposition which was organized in collaboration with various leading real estate developers. The agenda was to initiate a wave of positive change. This initiative was a resounding success and went a long way in cementing our relationship with the developer fraternity as well as potential customers. The strategic timing of this event and its response will help us carry forward the positive vibe in FY2017-18 where we aspire to bring similar propositions in other geographies too.

PNB Housing is committed to working for the cause of a prosperous society. This year we laid down the blue print of our CSR initiatives which revolve around construction workers whom we consider as our primary stakeholders. In line with our efforts towards providing them with a better standard of life, PNB Housing joined hands with various NGOs to provide workers' children education, nutrition and hygiene. Another initiative undertaken, relates to skill upgradation of construction workers, men and women alike. We are proud to say that more than 4,000 workers have been trained up to FY2016-17.

Your Company has also invested its resources in that one important area of caring for the environment. We are conscious that our homes and the comforts therein, are being acquired at the cost of ecological balance, and consequently it is our greatest responsibility to ensure that the ecological balance is maintained to the best extent possible. PNB Housing has stood up to support green energy efficient residential buildings, with the objective of

> In FY2017-18, geographical expansion will be our engine for growth. In the year ahead our ambition is to add 23 new branches, 17 outreach locations and 3 fully capacitated credit decision hubs, thus creating additional service touch points for our customers.

helping reduce greenhouse emissions, curbing pollution and establishing a culture of green housing construction in India.

As I wrap up the narration of our FY2016-17 journey, I am delighted to share that all of our achievements and initiatives undertaken, have been appreciated and commended by various industry stalwarts and prestigious accredited fora. During the year, we were recognized for our business as well as social endeavors. We were lauded for the 'connect' that we have established with our customers through the brand interventions both in domestic as well as international waters.

Going Forward: for housing finance sector

It is our evaluation that the macro-economic trends prevailing in our Country are leading to a conducive environment for the housing industry. The current challenges faced by real estate sector are transient, and also serve as an ocean of opportunities.

A bouquet of initiatives announced by the Government are most certainly going to benefit the housing sector directly and indirectly. The 'Pradhan Mantri Awaas Yojana', is likely to push mortgage penetration levels and this key nationwide initiative will be instrumental in fulfilling the government's vision of Housing for All by 2022.

Perhaps the most significant initiative with far reaching implications for the real estate sector, is the enactment of RERA. With this, potential buyers can now look forward to faster turnaround of under construction projects and a more pronounced project discipline and accountability on part of real estate developers – all of which will act as an important catalyst in bringing about the long awaited momentum. We are already seeing a surge in sale of ready to move in units. We can also hope for growth in inflows of FDI at project level.

Lowering of interest rate, interest rate subsidy and tax exemptions shall incentivize aspiring home owners to opt for purchase rather than rented homes.

Taxation has since long been complicated in India. The consensus to implement Goods and Services Tax (GST) is indeed a significant development with the potential to augment domestic trade and GDP growth. The impact of GST on real estate sector is still being speculated by experts but we anticipate that in the long run the benefits will outweigh any short term inconveniences.

The Road ahead for the Company

It is imperative that we maintain our 'fitness' in order to surf the rising waves of opportunities. By building a stronger team and absorbing new technologies in our processes, we are adding robustness to our profile.

In FY2017-18, geographical expansion will be our engine for

> Special focus will be to further promote 'Unnati' which is our flagship product for mass housing, the 'right' solution for millions of home aspirants in the mass housing segment.

growth. In the year ahead, our ambition is to add 23 new branches, 17 outreach locations and 3 fully capacitated credit decision hubs, thus creating additional service touch points for our customers.

However, extension of our branch network will be a cautious one, to ensure efficient service delivery. We do not believe in chasing market share wherein we could expose ourselves to issues like credit risk, and poor quality portfolio. We prefer to compete with ourselves on a quarter to quarter and year to year basis.

High volume growth of the business and geographical expansion, is often coupled with increase in cost to income ratio (CIR). We have been cognizant of this phenomenon and have laid down stringent benchmarks to keep the costs in control.

As per regulations, we maintain adequate provision for contingencies in our business operations. This year, we are carrying forward a contingency reserve of INR 39.45 crores. INR 15 crores has been appropriated in the financial year 2016-17 reflecting our conservative approach. We have processes in place to simulate future trends which prepare us to cover any eventuality in the future on the loan portfolio.

Also, with optimal utilization of resources, our planned expansion will help us achieve economies of scale, and we are confident of reporting OPEX TO ATA and CIR that are among the best in the sector, before the next round of capital raise.

PNB Housing will continue to walk the extra mile in making home loan experience a convenient and delightful one for its customers. This will be ensured through further digital advancements.

Special focus will be to further promote 'Unnati' which is our flagship product for mass housing, the 'right' solution for millions of home aspirants in the mass housing segment.

Finally, compliance and good governance has always been the bedrock of this transformation journey. We will continue to follow good practices in the right earnest and better these whenever and wherever required.

Our erstwhile Chairperson, Ms. Usha Ananthasubramanian, under whose patronage the Initial Public Offering was successfully expedited, demitted her office as the Managing Director of Punjab National Bank - hence her tenure as our Chairperson of the Board of Directors came to an end. On behalf of the entire PNB Housing family, I convey my heartfelt gratitude to her for the support and high quality professional guidance. We sincerely wish her a very happy and successful endeavor in her new assignment.

The Board of Directors, headed by our newly appointed Chairman, Mr. Sunil Mehta, will lead the development of the Company along with the Independent Directors. We wish our new Chairman and Directors a very satisfying experience on the Board of this new

My note would be incomplete without my expression of due gratitude to our customers who have trusted us and chosen us as partners in their housing finance and fixed deposit needs.

age Housing Finance Company and look forward to their profound guidance and support for our onward growth journey.

I would like to express my gratitude to The National Housing Bank (NHB), our lenders, our rating agencies, our solicitors and our business partners who continue to play a key role in our evolution and we are indebted to them for their valuable support.

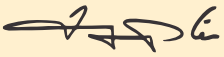
I also thank the statutory and internal auditors for ensuring that our operations remain compliant with the set standards.

I further extend my humble gratitude to the various regulatory authorities including RBI, SEBI, Registrar of Companies, the stock exchanges and the depositories for extending their support.

My note would be incomplete without my expression of due gratitude to our customers who have trusted us and chosen us as partners in their housing finance and fixed deposit needs.

Last but not the least, I feel proud in acknowledging the contribution of every single member of team PNB Housing, for having faith in the Company and delivering the 'PNB Housing-brand promise' to the customers.

Thanking You



Sanjaya Gupta
Managing Director

Management Discussion & Analysis

GLOBAL ECONOMY: A TIGHT ROPE WALK

It was a year of surprises for the global economy. Be it BREXIT (the exit of Britain from EU), or the US election results, sentiments moved back and forth around the world. Yet, it turned out that the worries were more a matter of perception and the actual impact was comparatively much milder. The current indicators are displaying stable to positive outlook and the world seems to have taken the 'Anugachatu Pravaha' (Sanskrit for 'go with the flow') stance. In simple words, moved on with time.

Looking forward, there are certain indicators that continue to unnerve sentiments, such as the expectation of higher deficit in the U.S., the weakening of FII inflows and the slowdown of China. Commodity prices are still trying to bottom, although the likes of Zinc and Lead have already taken the sky route. The concerns for the future lurk around uncertainties surrounding the policy stance of the United States administration, and its global ramifications.

On the flip side, hopes for a brighter future are gaining momentum. Major economies such as U.S. and Western Europe have performed better in FY2016-17 than the previous year. The European Union has already started showing signs of stability post BREXIT. With respect to US policies, the intervention of courts has been keeping things balanced. U.S. data on job creation and GDP shows positive trends, and accordingly U.S. Federal Agencies increased the policy rate in December 2016. There are hopes that China, the second largest economy, shall stabilise soon and influence global macros significantly. Another breather comes from the fact that violence in Middle-East is appearing to be on its decline.

According to the International Monetary Fund report of January 2017 economic activity in both, the developed economies as well as emerging markets and developing economies (EMDE), will accelerate in FY2017-18, with global growth projected to be 3.4% and 3.6% respectively. Developing economies are now projected to grow by 1.9% in 2017 and 2.0% in 2018.

The primary factor underlying the strengthening global outlook over FY2017-18 is, the projected surge in EMDEs' growth. This estimation reflects to an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains.

INDIAN ECONOMY: ALL EYES ON A NEW ERA

Throughout the year, India was in the spotlight for various reasons. Almost every event that happened in India, attracted global attention - be it the historic move of demonetisation, assembly elections held in few States or the momentous satellite launch by ISRO; it is evident that the world now views India as a superpower in the making.

After a seemingly endless debate, the much awaited goods and service tax (GST) bill has got a *good-to-go* signal and is expected to get implemented in near future. This is a certainly a step forward in streamlining the prevailing tax structure of the Country.

Perhaps the most significant and far reaching initiative launched in India, and that which caused a huge stir was the demonetisation of currency. While there was to some extent resistance and criticism towards the manner in which this initiative was implemented, it was largely supported, particularly by the Corporate and Banking fraternity, and more importantly, the common citizen.

Standing at the doorstep of a reformatory metamorphosis, India has sacrificed few points on GDP growth this year, but all this is not futile. The focus is to wage a war against economic evils such as tax evasion, counterfeit currency, corruption and terrorism. If the objectives are achieved as anticipated, our nation shall grow at a much higher pace while exhibiting favourable terms of trade and lower external vulnerabilities.

Indian GDP is poised to grow at approximately 7.2% to 7.5% in the year ahead with the current account deficit at a level of 1.1% of GDP and fiscal deficit at 3.2% of GDP. The consumer price index (CPI) inflation declined to 3.9% in March 2017 from 4.8% in March 2016 and the policy repo rate is reasonable at 6.25%. As per the IMF report of April 2017, India's

economic growth will be 6.8% in FY2016-17 and the forecast for FY2017-18 has been projected to be at 7.2%.

While the domestic economy is not immune to global trends, one can safely assume that the Country will put up a resilient front against the pressures posed by global influences.

INTEREST RATE SCENARIO

India's retail inflation has risen to 3.65% in Feb 2017 from 3.17% in Jan 2017 on account of food and fuel prices. However, the core inflation has declined to 4.79% driven by lower housing, transport and communication prices. Going ahead retail inflation may show an uptick due to implementation of GST and effects of the house rent allowance under the 7th Pay Commission.

Looking at the global indicators, U.S. Federal Reserve hiked its funds rate by 25 bps to 0.75%-1% and said that there may be more rate hikes during the current year. In the Euro areas, the manufacturing purchasing managers index (PMI) has risen to six-year high and this indicates improving consumer confidence and employment conditions. Fuel prices have remained range bound since organisation of the petroleum exporting countries (OPEC) and its partners extended their deal to hold 1.8 million barrels of oil off the market. The long term impact of BREXIT on the global economic scenario is yet to be seen. Based on the current macro-economic trends, it is expected that the benchmark yield shall remain range bound between 6.75% to 6.95%.

In 2016, the RBI's active liquidity management kept the call money rate well anchored around the policy rate. In 2017, the RBI is expected to maintain liquidity in the money market and hence keeping the call money rates around policy rates. Corporate Credit is expected to be moderate, therefore ensuring banks participation in commercial paper investment for 2017.

INDIA'S HOUSING FINANCE SECTOR: ADVANTAGE POINT FOR GENUINE HOME BUYERS

The end users in housing sector are enjoying a fresh breeze of affordability. The Union Budget initiatives declared in February 2017 have lived up to the expectations of citizens who have stood with the Government during the liquidity crunch, especially in terms of taxation and housing. The proposed inclusion of affordable housing, with revised parameters of definition in 'infrastructure' is generating plenteous interest within the real estate developer community and home buyers. This development will add to the transaction velocity in the sector. On the other hand, RERA and GST will bring about the much needed discipline, transparency, compliance and customer service standards in the real estate sector. Overall, the current picture is a perfect scenario of progressive customer orientation in the housing sector.

As on December 31st, 2016, the total housing credit outstanding in India stood at around INR 13.7 trillion and is expected to grow at 18-20% in FY2017-18. It is interesting to note that the mortgage loan proved to be the single largest and best performing retail asset in the lending industry which could withstand the impact of demonetisation as well. The share of HFCs and NBFCs in the overall mortgage finance market remained steady at 37% as on December 31st, 2017, with commercial banks accounting for the remaining 63%.

Looking ahead, an array of mixed factors will determine as to when the industry will regain its momentum. For the moment, the current situation can be titled as a 'consolidation phase'.

POSITIVE INDICATORS FOR INDIAN ECONOMY

Untapped Market

Despite a decent performance in the year gone by, the mortgage market in India remained under-penetrated with mortgage-to-GDP ratio of around 9%, which is far lower in comparison to the 15%-30% ratio of other peer developing economies, and 80+% for some of the developed ones. Total demand for urban housing is estimated at 4.2 million units during the period 2016-2020 across top eight cities which indicates the availability of a large sized untapped potential in the market.

Favourable Demographics

A large proportion of the Indian population is below the age of 30 years. The expanding urbanization, increase in supply of affordable homes, rising disposable incomes, reasonable interest rates, improved affordability and fiscal incentives on home loans will drive the growth for the sector.

Real Estate Developers' Focus on Affordable Housing

A large segment of our population, who would have thought of a home as a 'distant dream' until a few years ago, are now realizing that the doors to their dreams are opening easier than ever before. Harbouring unsold inventory levels, the focus of real estate developers is undergoing a paradigm shift, moving from luxury segment towards the mass housing segment.

INITIATIVES BY THE GOVERNMENT

Government led actions during the year have inducted substantial positivity in the sector especially when viewed with a long term perspective.

Demonetisation

It was perceived that the out turn of demonetisation on the mortgage industry, would run deep, but the result fortunately turned out to be the opposite. The housing finance sector withstood the turbulence and bounced back within a couple of months. In fact, with the cash component eroding, the demand for formal sector credit has increased, which has helped in the expansion of the sector. With improved liquidity financial institutions have brought down interest rates and have made home loans all the more affordable, drawing in new customers who had erstwhile kept their decision of purchasing a home in abeyance.

Pradhan Mantri Awas Yojana Scheme (PMAY)

The amalgamation of PMAY and 'Housing for all by 2022' mission continues to pick up pace and will be a key factor in pushing the mortgage penetration levels further. This initiative has been given further boost in the union budget of FY2017-18 by widening the income bracket and enhancing property area restriction to extend the benefits to the middle income group.

Real Estate Regulatory Authority (RERA) Bill

The basic objective of the RERA bill is to protect the interest of the consumers and investors by introducing a regime to regulate and improve the level of transparency and accountability in the sector. The Act propagates restoration of confidence of buyers and investors in the real estate sector as it includes provisions for ensuring timely and orderly delivery of projects.

Relaxation in prudential norms for debt mutual funds

SEBI has increased the exposure limits provided for housing finance companies, in debt- oriented mutual fund schemes from 5% to 15%. With this change in regulation, the total exposure cap to the financial services sector now stands at 40%.

Amendments in SARFAESI Act and Bankruptcy Law

The Government has made certain amendments in the SARFAESI Act and Bankruptcy Law which is expected to help financial institutions recover dues in a more efficient manner.

THE THREATS

The Housing sector now faces a new challenge, that of actualisation. A very large number of schemes have been launched and one is left to wonder if these schemes would become ground realities, given the volume of work to be done for the same. Only with a unified effort of the Government, real estate developers and financial institutions, can success be achieved. Albeit, the eventuality shall be uncovered only with time.

There has been a steady increase of new entrants in the housing finance sector and this increase in competition may lead to price wars, loan transfers and drop in portfolio quality.

PNB HOUSING: ON STRONGER WINGS

The year was a milestone setting one for the Company with the grand success of its Initial Public Offering. The IPO of 3,87,19,309 equity shares, of INR 10 each, was offered at a price of INR 775 per share aggregating to INR 3,000 crores. The momentous occasion, i.e. the Company's public listing, happened on November 7th, 2016, at the National Stock Exchange and the Bombay Stock Exchange, making it the second largest IPO for the year 2016 and one of the largest ever in the BFSI space. The stock was accepted well by all categories of investors, both in domestic and international markets. This infusion of capital by marquee investors has enabled the Company to cruise across a widened horizon. PNB Housing now stands in the market with a robust financial abutment despite the tough economic environment. The Enterprise continues to uphold its stature as one of the five largest housing finance companies in the country.

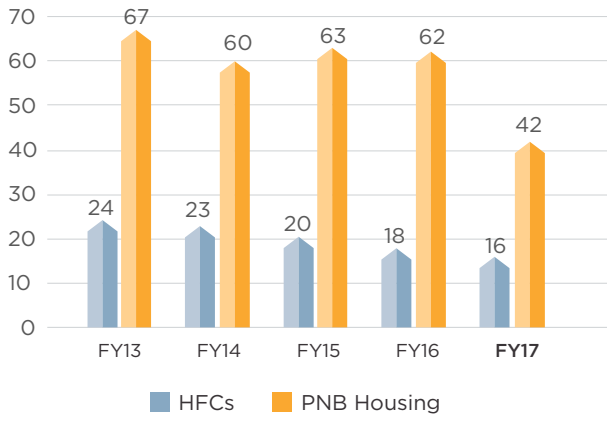
Discussing the impact of demonetisation on the Company, the outcome was fairly positive for PNB Housing. A temporary stagnation in loan applications, which lasted for not more than a few weeks, was the only impact felt. There was no unusual damage in terms of defaults or impact on the share prices. Instead, an increased inclination towards formal credit was observed within the potential customers.

PNB Housing has evolved into a healthy Enterprise which is driven by ambitious yet purposeful goals. The Company has an effective business model, governance structure, systems and operating framework offering mark to market product proposition which can deliver adequate shareholders' returns. Its asset quality, human capital efficiency and effective leverage of technology has granted it the virtues of scalability, profitability and sustainability.

PNB Housing enjoys the distinction of being a customer oriented entity that addresses the needs of customers, by offering contemporary products and services.

In fiscal terms, it was yet another year for the Company wherein performance was underscored with a growth rate that was amongst the highest in the sector. The Company's total loan assets crossed INR 38,531 crores this year and its 5-year CAGR stood at 55%.

TREND IN PORTFOLIO GROWTH RATE (%)



Source: Indian Mortgage Finance Market Update by ICRA

The Company boasts of a superior quality portfolio with very low NPAs. The rapidly increasing customer base stands testimony to the fact that it is steadily gaining reputation as the customers' preferred housing finance partner.

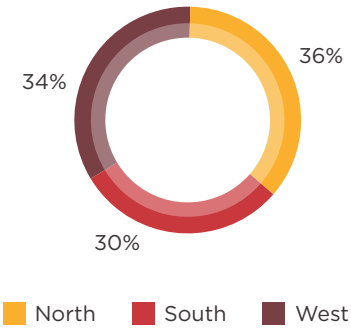
STRENGTHENING BUSINESS AND MARKET REACH

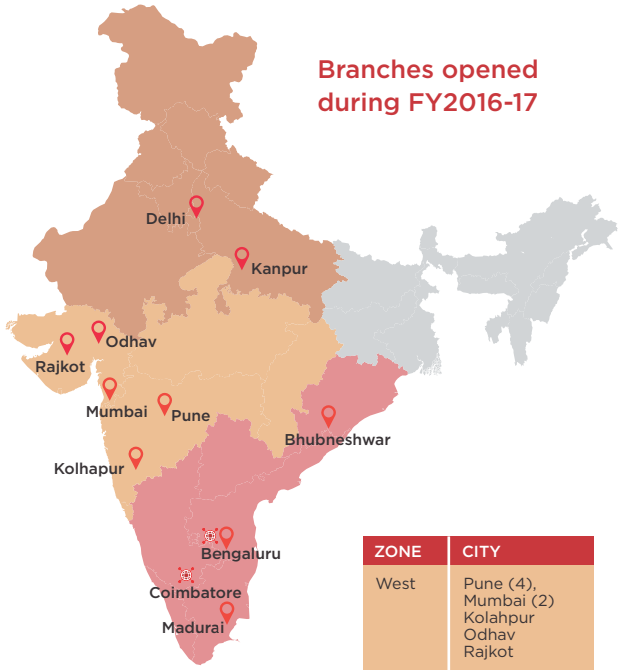
The performance has reaffirmed the ideology that customer centricity is the key to ensure business longevity. The Company refrains from compromising on sustainability to chase market share, instead believes, in ensuring that the quality of assets remains 'best in class'.

Reaching out to new markets is the Company's current focus area. The expansion strategy of the Company involves careful selection of geographies and distribution network such that the operational efficiencies remain homogeneous across all outlets.

In FY2016-17, the Company further strengthened its market reach with the opening of 16 new branches. This has taken the branch network to 63 branches and 27 outreaches by the end of the financial year. The focus was on exploring new markets and this has enabled the Company in developing a judicious geographical mix bringing the share in West and South zones almost at par with that in the North zone.

Geographical Distribution based on AUM





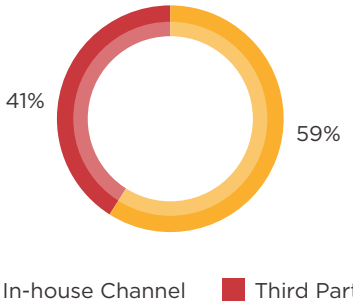
ZONE	CITY
West	Pune (4), Mumbai (2) Kolahpur Odhav Rajkot
North	Kanpur Delhi (2)
South	Bengaluru (2) Madurai Bhabneswar

HUBs commissioned at Bengaluru and Coimbatore.

The market reach is reinforced with the Company's business sourcing network which comprises of over 9,700 members across different locations in India These include in-house sales personnel, sourcing partners, deposit brokers etc. offering doorstep services to the customers.

One of the reasons for PNB Housing's resilience during difficult times is that it enjoys a healthy mix in its business sourcing with balanced contribution from external and internal channels. The in-house channel is playing a major role in scaling up the Company's self-sufficiency in terms of business development

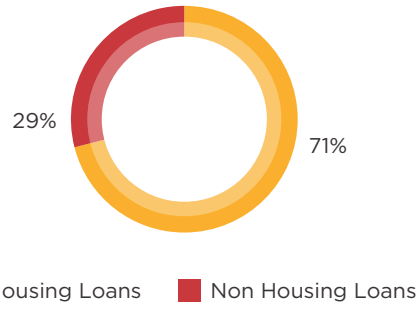
Disbursement Origination Mix



Asset Portfolio Mix

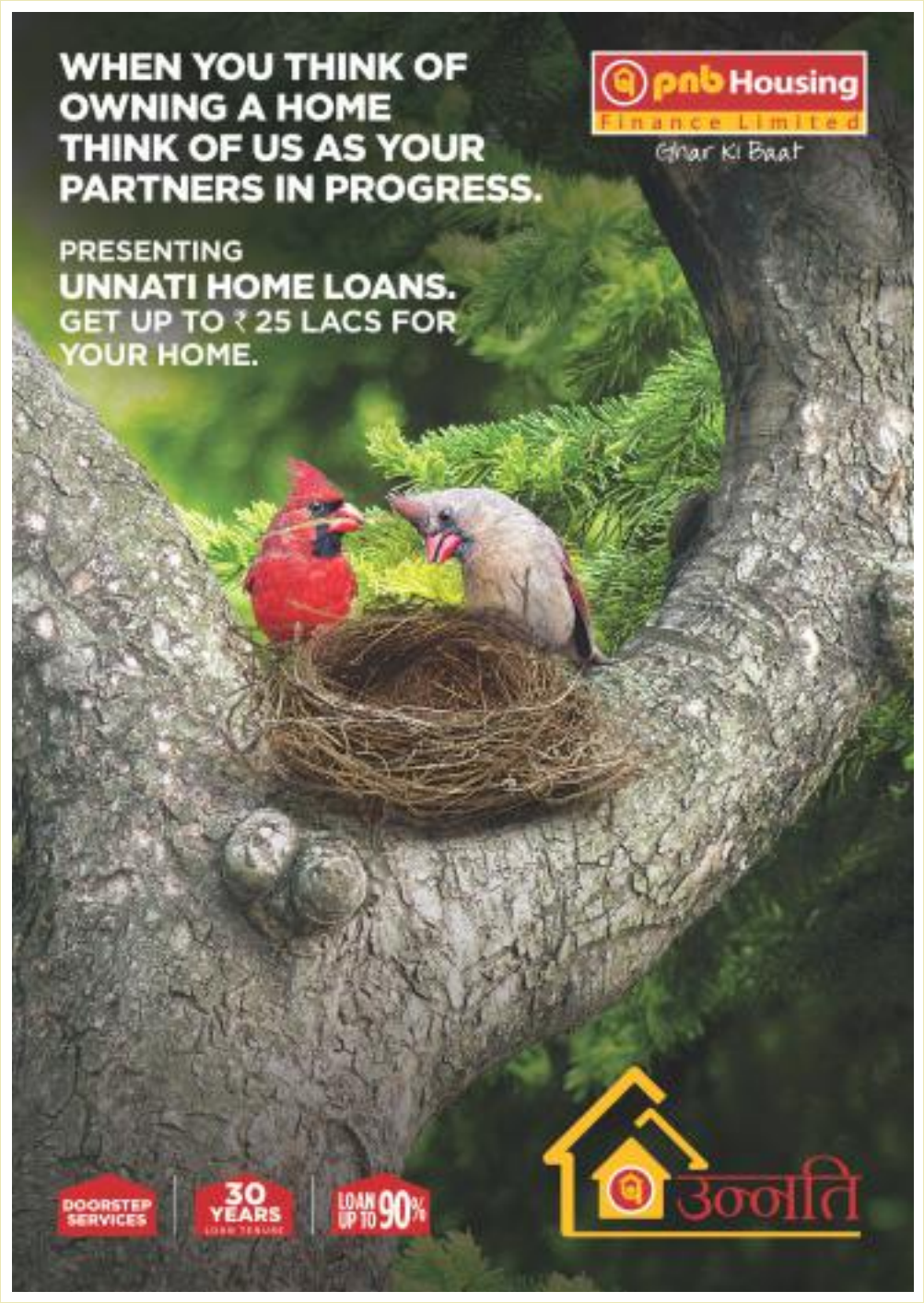
PNB Housing caters to a wide range of customer preferences with an array of products that have been designed through years of market research. The products offered by the Company include loans for purchase of home, self-construction, home extension and residential plots. In the non-housing segment, the Company offers loan against property (LAP), loan for purchase of non-residential premises (NRP) and lease rental discounting (LRD). The Company focusses on strengthening the supply side by offering loans to real estate developers for construction of residential projects and through loan against property.

Portfolio Mix



PNB Housing is proud to align its focus with the government's ambitious target to provide home to each and every citizen of the Country. The Company is contributing in a modest way, towards making the mission of 'Housing for All' and 'Affordable Housing' a success.

The Company is inspired by the spirit with which individuals from modest walks of life face challenges in pursuit of progress. This inspiration propelled the Company to introduce a specialized product 'Unnati' as a tribute to the spirit of this segment. It has further aligned its sourcing and underwriting capabilities to efficiently cater to this segment.



As an upshot, the Company disbursed 20% of the total individual home loan business in the sub INR 25 lakhs category during the first year of its launch.

REACHING OUT TO PROSPECTIVE CUSTOMERS

One of the characteristics of the new PNB Housing persona, is its focus to enhance the brand image in the minds of the consumers. The Company has implemented a multimedia strategy to ensure mass communication around the country and to maximize audience reach. A balanced media mix enabled reasonable presence in the print media, television, digital platforms and outdoors. The effort helped in communicating the strengths of the Company to millions of potential customers and to the investor community across India and overseas.

The Campaign Theme: 'Inspired'

PNB Housing's campaign revolved around nature and showcased how the Company is 'inspired' by the extraordinary traits of animals and how it has incorporated these traits into its personality. The essence of the communication was 'The door to your dream homes open easier with us' which has given PNB Housing its distinct brand image.

The Company participated in numerous events and exhibitions across the country and made its presence felt at points of sale to engage and foster relationship with potential customers. Digital interventions have augmented the efforts to reach out to new age customers.

FRIENDLY SERVICE ENSURES FASTEST GROWTH.

PNB Housing has emerged as the fastest growing amongst leading HFCs in India.

Maiden Dream Expo Ghar Utsav - Leading to New Dreams

To break the overwhelming dullness in the housing sector, PNB Housing planned a technologically advanced path breaking dream home expo 'Ghar Utsav', in collaboration with twenty one real estate developers, to create a wave of positive change. This was the first of its kind home expo instituted by the Company. The event was an astounding success as it witnessed close to 5000 footfalls in two days and more than 900 on the spot loan approvals. The event commemorated the success with a musical rendezvous.

The brand 'PNB Housing' is synonymous with trust and convenience and the same is reflected in all its communication, be it marketing initiatives or routine interactions with the customers. There is a constant endeavour by every team member to create memorable customer-service experience and to deliver the brand promise of PNB Housing at all times.

The marketing initiatives were well received by the audiences and the Company saw significant increase in the volume of loan enquiries and in the 'hits' on PNB Housing's official website.

CUSTOMER SERVICES: REDEFINING CONVENIENCE

The quality of services offered to the customers and the level of swiftness in response time sets the difference between a good service provider and a better service provider. PNB Housing has adopted the power of technology to ensure convenience for its customers and that their needs are catered to, accurately, and in a timely manner

The Company continues to upgrade its customer friendly online interfaces, enabling easy access to account related services. The modules are tailor made to cater to the contemporary needs of the customer so as to offer a standardised feel across all channels - brick and mortar outlets as well as digital. This omni-channel experience, spread across the customer relationship management system (CRMS) and the customer portal is the corner stone of Company's customer engagement strategy.

Customer Relationship Management System (CRMS)

PNB Housing believes that 'response delayed is response denied' and it is this belief that has led to

the creation of the Company's indigenously designed CRMS. This interface provides quick handling of customer service requests and complaints. Its pre-defined, in-built workflows and swift processing ensures higher levels of customer satisfaction.

"Let the customer be your greatest teacher" say the wise in the corporate world. Every single feedback by the customer deserves due attention. The Customer relationship management at PNB Housing is further amplified keeping its doors open to suggestions and feedback from customers on various matters. The channel enables quick flow of information and resolution is initiated within 24 hours of the request raised.

Contact Centre

The contact centre, which is ISO 9001:2008 certified, plays a vital role in the journey of redefining convenience by providing faster connect and easy access to customers. It not only helps potential customers reach instantly but also ensures better customer care services by giving existing customers a platform to instantly contact the Company for their post sales service requirements.

All loan enquiries generated through various advertising campaigns are directed to the contact centre which focusses on creating a lasting first impression by ensuring that the customer expectations are met with dexterity. The technology enabled unit is capable of end to-end intelligent tracking of customer requests and monitors the performance of leads generated through advertising campaigns.

The emphasis has always been on achieving business efficiency and increased customer satisfaction through contact centre.

Customer Portal (CP)

The self-service customer portal by PNB Housing bridges the distance between the customer and the service provider. Its single window interface provides access to important information such as IT certificates, EMI payment schedules etc. at a click of a button. This portal has been linked to the CRMS. During the year, enhancements were made to the module making it all the more proactive. The new 'inbox' feature enables PNB Housing to reach out to its customers informing them about latest offers, new features and relevant notifications.

With the recently launched mobile app of customer service portal, the customers can now easily access their account details and avail various services on their smart phones. This fulfils the Company's brand promise of customer centricity.

TARGET OPERATING MODEL

The hub and spoke based target operating model (TOM) of the Company, comprises of a technology platform, experienced and specialized professionals and mark to market products and policies. The 'Spokes' or branches act as the primary point of sale and service, undertake loan origination, manage collections, deposit sourcing and customer service. Hubs and zonal offices provide support functions, such as loan processing, credit appraisal and monitoring. The Company supervises the operations nationally through the central support office (CSO) thus enabling precision oriented performance throughout the organization.

The branches, hubs, zonal offices and CSO are supported by the centralised operations (COPS) and central processing centre (CPC), which provide centralised and standardised administrative activities, payments and processing for the business. They rely in turn on the enterprise system solution (ESS). The ESS integrates all activities and functions within the organisation on a single system solution, bringing efficiencies to the back-end processes and enabling focus on delivering quality services to its customers.

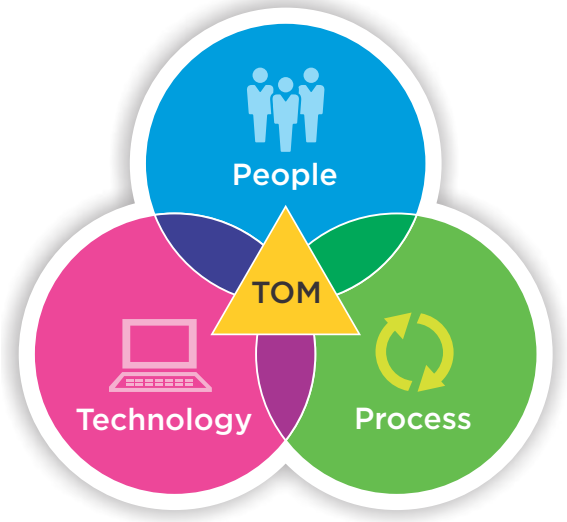
The Company's subject matter experts possess extensive knowledge of their geographies which enables them to assess customer's requirements and offer them solutions within the broad framework of credit policies. The Target Operating

Model is scalable and facilitates economies of scale at lower incremental costs. The model has enabled deepening of market penetration with launch of new branches and outreach offices.

The Company has a well-established and streamlined credit underwriting, monitoring and collection process which has significantly contributed to the growth of loan portfolio. It lends efficiency to manage the expanded scale of business by enhancing productivity and the ability to take prudent credit decisions without compromising on the credit quality.

As the Company continues to grow operations and expand into new territories, the thrust will be to maintain the credit quality of the loan portfolio by undertaking comprehensive risk assessment measures, diligent portfolio monitoring and management methodologies. It further plans to supplement the existing risk management protocols by introducing a credit scoring template that shall assist the underwriting teams and other subject matter experts in decision-making and enhancing the turnaround time of loan applications.

ROBUST TARGET OPERATING MODEL

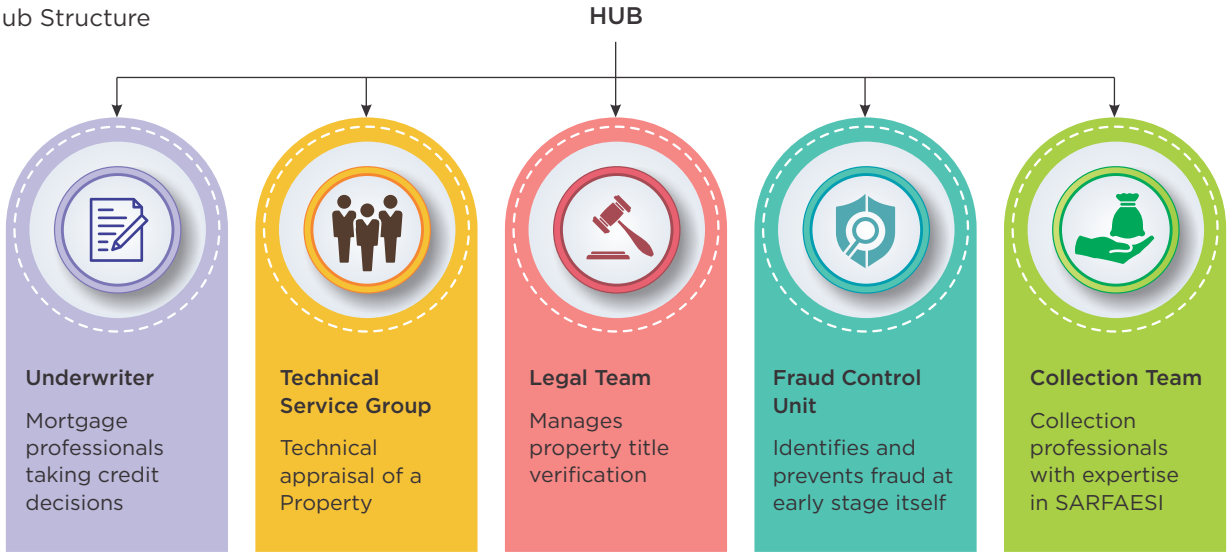


Credit Risk Management

PNB Housing actively monitors and controls the credit risk arising due to any sort of defaults. The credit committee regularly reviews and updates the credit policy that its underwriting teams are required to adhere to. Credit risk is managed by using a set of credit norms and policies, including a standard credit appraisal policy based on customer credit criteria approved by the Board. There is a structured and standardised credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the customer.

RETAIL CREDIT FRAMEWORK

Hub Structure



Operational framework: Controlled yet progressive

For an organisation, growth in its stature needs to be backed by sustainability. Being one of the fastest growing housing finance enterprises, PNB Housing is well aware of the need to ensure that crucial aspects of the operations remain centrally controlled. This has led to the evolution of three main verticals viz. branch operations, central processing centre and centralized operations. Centralization of activities such as image based deposit processing, business partner management, repository of dockets, file CERSAI updation etc. have allowed the Company to adhere to standard operating procedures thereby bringing in higher accuracy and reduced turnaround time with cost optimisation. Centralization of EMI banking has helped in timely collection of funds, better fund management, stronger control and early alarms to the collection department, in a pro-active manner.

Moreover, as all bulk customer correspondence is 'in house' and is insulated from any third party interference, the delivery standards and ethos are adequately maintained. With centralized operations, there has been a sharp increase in productivity and it has enabled the Company to follow a flexible delivery model along with achieving economies of scale.

This structure has facilitated in evolving technology backed ISO 9001:2015 certified Centralized Operations, which in turn has enabled hubs and branches to focus on customer service and sales, as most of the back-end operations are now centralised and supported by the new Enterprise System Solution.

Infrastructure: Scaling up

During FY2016-17, PNB Housing added an incremental work area of 33,730 sq.ft. which has increased total work space from 1,90,245 sq.ft. to 2,23,975 sq.ft, an increase of 17.73% over the previous year.

The new offices opened across India are fully equipped, well connected with the entire network and ergonomically designed to provide the finest experience to customers as well as the workforce of PNB Housing.

TECHNOLOGY: PATH BREAKING

The efforts of the team members of PNB Housing are reinforced with technological interventions. PNB Housing continues to make prudent investment in technology to enhance customer experience and improve operational efficiency. The Company boasts of a fully integrated ESS which has streamlined processes and is bringing about a high level of automation across functions. It is paving way for realizing the Company's vision of providing a collaborative business environment among the frontend team, customers and business partners, and making transactions processing and sharing of information easy and user friendly.

For the first time, the Company completed its financial year closure on ESS and this has proved that both, the platform and the transformed processes have been well embraced by the employees. The architecture of ESS is agile, secured, scalable and modular, and has enabled the Company in various digital initiatives to further enhance convenience to the customers and make business operations more efficient and collaborative. Auto triggering of the 'Welcome Kit' upon the disbursement of loan to new 'on-boarded' customers, pushing of the Income Tax certificates to loan customers and Interest certificates to deposit customers through the self-service customer portal at the click of a button, and mobile application for business partners has enabled real time services and delivery, eliminating lengthy manual efforts.

The Company's recovery team has been relieved from manual efforts to a great extent with a novel digital initiative on mobility, i.e. tablet based collection mobile application. The application is

integrated with ESS and the e-payment gateway thus enabling collection from delinquent customers through multiple payment modes. It empowers the frontend field team with real time analytics, betters the efficiency through queue based collection management and supports geo tagging.

Digital security has attained new levels with the implementation of advanced threat protection for its corporate email and messaging system. This solution safeguards against zero-day attack, by analysing the behaviour of unknown attachment types and links in contained a sandbox environment. An enterprise class solution web content filtering has been implemented across the Organisation, which is secured and backed by real time threat protection technology. It is an accurate system for real-time identification and classification of threats during internet browsing from the internal or public network, thus enhancing overall IT security of the Organisation. This has been aptly backed by a centralized wireless network management system with unified WIFI SSID across the Organisation. The solution has enabled secured and seamless inter office roaming, centralised administration and separate limited provisions for guest access without access to PNB Housing internal network or data. AAA standard has been achieved with integration of PNB Housing's active directory, the CISCO access control system and CISCO centralised wireless controller. The Company had engaged the services of a leading IT consultant to conduct an IT security assessment, which has been successfully completed with no major observations.

The Company engages technology diligently to become digitally advanced and a highly secured housing finance provider. Going forward it shall consider implementing new technology initiatives in mobility, analytics, security and cloud storage to further enhance operational efficiency and help deliver the best service to its customers.

HUMAN RESOURCES: STRONGER TOGETHER

Nothing can substitute the warmth of human touch in a service industry. PNB Housing believes that only a happy team can deliver the desired customer delight. Thus, the Company's Human Resource Management systems and processes are aimed at creating a responsive, industry-focused, customer-centric culture and enhancing organisational vitality.

PNB Housing believes that robustness and adaptability of the Human Resource systems and processes are critical for an organisation to remain relevant and competitive in today's highly dynamic and rapidly evolving business landscape. The Human Resources function continues to align its strategic interventions and processes with the Company's vision of emerging as the most admired housing finance company. Its Human Resource agenda continues to remain focused on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture and a strong talent pipeline. The Company is focused on developing future leaders and having contemporary people practices. It takes pride in building a high trust and high performance culture with a growth mind set. Developing capabilities for all employees in the Company has remained an ongoing priority.

PNB Housing enjoys the reputation of being an 'employer of choice' which is testified by the fact that it has one of the lowest employee attrition rates in the industry. Its talent retention strategy is pivoted on offering career enhancement opportunities, competency development, rewards and recognition initiatives and empowering key talent.

During the year, the Company inducted 402 new members in its family, taking the total count of employees close to 1000 across India. The talent acquisition programs are complemented by a suite of training and development opportunities, delivered internally and externally to ensure the highest level of performance.

Effective performance management is critical to helping employees perform at their optimal level.

PNB Housing's Performance Management System is focused on creating 'line of sight' between an individual's work and the organisation's strategic and operational objectives. It measures employees' performance on fair parameters, identifies and supports the ongoing learning and development needs of employees.

PNB Housing is a great place to work!

The Company participated in an employee feedback survey conducted by the Great Place to Work Institute (USA) in December 2016. 94% of the employees participated in the survey and the results earned PNB Housing a position in Great Places to Work.

Great Place to Work Institute, USA, is amongst the renowned organizations, with 25 years of research experience, in recognizing and building great workplaces. The institute conducts the survey globally, and approximately 8000 organizations participate in the study every year. In India more than 800 companies participated in this independent and most objective survey during the year.

The Company has a multi-pronged approach to learning, with focused interventions in core and functional areas, customised business specific and organisation-wide strategic interventions, as well as structured leadership development program.

The Company advocates a work - life balance and considers the families of the team as an extension of the PNB Housing Tree. Events such as family day are celebrated across all its business centres which strengthen the informal bonding within the entire team.

PORTFOLIO PERFORMANCE

PNB Housing's portfolio continues to be one of the best in the industry, with NPAs at the minimum. Such robustness has been possible by the combined efforts of mortgage professionals, delegation of authority, robust processes, de-risking of geographical concentration, expansion in new geographies, multi-pronged control mechanism, regular portfolio review along with optimum usage of advanced information technology.

The retail loan process cycle, from origination to servicing is executed on the ESS. Loan decision making is based on the 'four eyes principle' and involves specialists from fraud control, underwriting, technical and legal.

In cases of wholesale finance business, the Company undertakes detailed and in-depth analysis covering various aspects like project analysis, financial appraisal, detailed legal review, customer feedback, background check, credit rating etc. before sanctioning the loan.

The portfolio management methodologies are designed for early identification of problematic loans. The Company monitors portfolio through various analysis on a regular basis to evaluate the portfolio quality. It also regularly reviews and monitors concentration risk in certain segments of the loan portfolio, which allows to identify potentially problematic loans at an early stage and prepares for immediate action if any repayment problem arise. The credit and collection teams undertake regular review of all large value loans, including construction finance loans.

Recoveries

PNB Housing aims at 'curing' and not just

'collecting'. The recovery team is persistent in its approach and applies the best possible use of legal channels for collection. A structured early warning system, regular reviews and prompt actions have helped in minimising defaults and maximizing collections. The SARFAESI Act of 2002 has been very effective in improving the efficiency of the recovery unit. Appropriate legal actions and co-ordination with the judiciary have resolved most of the default cases. The effectiveness of the efforts is visible in fairly low level of NPAs in all types of loans offered by the Company.

Fair standards are observed while dealing with delinquent customers. While strictness is maintained, PNB Housing ensures that its interaction with the customers remains professional, transparent and respectful. The effectiveness of the framework can be judged by the fact that the Company has been able to contain its NPAs to 0.22%, one of the lowest in the sector.

OVERVIEW OF PNB HOUSING PERFORMANCE

Finance and Accounts

Business Highlights

- The Loan Portfolio outstanding stood at INR 38,531 crores; a 42% rise over FY2015-16.
- The Loan approvals in FY2016-17 were at INR 32,225 crores, growing by 40% over FY2015-16.
- The Company has disbursed loans amounting to INR 20,639 crores, growing by 43% over the previous year.

Financial Highlights

- During the year, the Company has earned a profit before tax of INR 804.01 crores and the profit after tax of INR 523.73 crores.
- Profit before tax grew by 60% as against 70% in the previous year.
- Profit after tax grew by 60% as against 66% in the previous year.
- Current year income tax provision (including provision for deferred tax) amounted to INR 280.28 crores as compared to INR 176.62 crores in the previous year. The effective income tax rate for the year is 34.86% as against 35.11% in the previous year.
- Return on average net worth for the year was 14.92% as against 17.12% in the previous year.
- Ratio of net interest margin to average assets was 2.97% for the current year as against 3.10% in the previous year.
- Cost to income ratio was 22.43% as against 25.15% in the previous year.
- The earnings per share (Basic) for the current year was INR 36.72 as against INR 27.48 for the previous year.

Spread on Loans

The average yield on loan assets during the year was 10.76% per annum as compared to 11.25% per annum in the previous year. The average all-inclusive cost of borrowings was 8.55% per annum as compared to 9.07% per annum in the previous year. The spread on loans over the cost of borrowings for the year was 2.21% per annum as against 2.18% per annum in the previous year.

Provision for Standard Assets, NPAs and Contingencies

As per the prudential norms prescribed by the NHB for Standard Loan Assets, HFCs are required to carry a provision of 0.40% on individual housing loan and non housing loans, 0.75% on developer loans for residential projects and 1.00% on developer loans for commercial projects. During the year, a provision of INR 63.51 crores (Previous year INR 52.46 crores) has been made on standard assets. As on March 31, 2017 the Company is carrying a provision of INR 193.97 crores (Previous year INR 130.46 crores) on standard assets, which is 0.50% (Previous year 0.48%) of standard assets of INR 38,445 crores (Previous year INR 27,117 crores). During the year, the Company has made a provision of INR 5.09 crores (Previous year INR 1.09 crores reversal) for non-performing assets (NPA). As on March 31, 2017, the Company is carrying a provision of INR 26.78 crores (Previous year INR 21.68 crores) towards non-performing assets of INR 85.78 crores (Previous year INR 59.81 crores). As on March 31, 2017, the Company is carrying total provisions for standard assets and non-performing assets of INR 220.75 crores (Previous year INR 152.14 crores) as against gross non-performing assets of INR 85.78 crores (Previous year INR 59.81 crores). Accordingly, the provision coverage ratio is at 257.35% (Previous year 253.71%). During the year, a further provision of

INR 10.97 crores (Previous year INR 2.71 crores) has been made on for diminution in the value of stock property acquired. As on March 31, 2017 the value of acquired property against which such provision is made is INR 169.76 crores (Previous year INR 87.62 crores). During the year, a further provision of INR 14.98 crores (Previous year INR 24.50 crores) has been made for provision for contingency, which is over and above the provisions required to be maintained as per NHB Directions. As on March 31, 2017 the Company is carrying a total provision for contingencies of INR 39.48 crore (Previous year INR 24.50 crores).

Capital Adequacy Ratio

As per the regulatory norms, the minimum requirement for the capital to risk asset ratio (CRAR) is 12% and for and minimum Tier I capital, it is 6% on the risk weighted assets. Company's capital adequacy ratio as at March 31, 2017 was 21.62%. The capital adequacy on account of Tier I capital was 16.48% and the capital adequacy on account of the tier II capital was 5.14%.

TREASURY

The Board of Directors has approved Company's investment policy and has set out limits for investments. The Company has a full fledged independent treasury function which effectively manages investment function to maintain sufficient liquidity, to ensure smooth carrying out of day-to-day operations of the Company, and invest the surplus funds generated out of the borrowings and operations in various securities with an objective to optimise return on liquid funds, with reasonable risk and expenses.

As at March 31, 2017, the investment portfolio stood at INR 3,287.29 crores. Investments constitute 7.65% of total assets as on March 31, 2017. Housing finance companies (HFCs) are required to maintain a statutory liquidity ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of public deposits. As at March 31, 2017, PNB Housing had INR 961.55 crores in SLR securities.

PNB Housing has classified its investments into current and long-term investments. The current investments have been entirely 'marked to market'. In respect of long-term investments, provisions have been made to reflect any permanent diminution in the value of investments. The aggregate provision on account of long-term investments amounts to INR 7.73 crores as on March 31, 2017. After considering the opening balance of INR 4.75 crores in the diminution in the value of investments account and the write back of provisions on account of investments sold, an incremental provision of INR 2.98 crores has been made for diminution in value of investments in the Statement of Profit and Loss.

As on March 31, 2017, the market value of quoted investments was higher by INR 10.83 crores as compared to the value at which these investments are reflected in the balance sheet.

1. **Borrowings**

   Borrowings as on March 31, 2017 amounted to INR 35,656.87 crores as against INR 26,158.88 crores in the previous year - an increase of 36%.

   Borrowings constituted 86% of funds employed as on March 31, 2017. Of the total borrowings, debentures and securities constituted 41%, deposits 28% and Bank term loans and overdraft 7%, refinance from NHB 8%, ECB 4% and others 12%

2. **Subordinated Debt**

   As on March 31, 2017, the Company's outstanding subordinated debt stood at INR 1,399 crores. The debt is subordinated to present and future senior indebtedness of the Company and has been assigned the rating of 'CARE AAA', IND AAA, 'CRISIL AA+' and 'ICRA AA+' by CARE, India Rating, CRISIL and ICRA respectively.

   The Company has issued subordinated debt of INR 789 crores during the year. Based on the balance term to maturity, as on March 31, 2017, INR 1,399 crores of the book value of subordinated debt was considered as Tier II as per Directions issued by the National Housing Bank (NHB) for the purpose of capital adequacy computation.

3. **External Commercial Borrowings**

   During the year, the Company raised an external commercial borrowing (ECB) of USD150 million in the form of a term loan facility. The ECB was raised under the Low Cost Affordable Housing Scheme of the Reserve Bank of India (RBI). The

proceeds have been utilised for financing prospective owners of low cost affordable housing units. As per the RBI norms, low cost affordable housing units have been defined as units where the property cost is up to INR 30 lac, the loan amount is capped at INR 25 lac and the carpet area does not exceed 60 square meters. The ECB is for an average tenor of 5 years and the foreign exchange risk on the principal has been hedged in accordance with the guidelines prescribed by the RBI.

4. Secured non-convertible debenture (NCD)

During the year under review, the Company has raised INR 4592.00 crores (Previous year INR 4805.00 crores) through secured non-convertible debentures via private placement. The Company's NCD issues have been listed on the wholesale debt market segment of the NSE. The NCDs are secured by mortgage of a specific immovable property and by hypothecation of book debts to the extent of 1.10 to 1.25 times of outstanding amount. Company's NCDs are rated 'CARE AAA', 'IND AAA', 'CRISIL AA+' and 'ICRA AA+' indicating high safety with regard to timely payment of interest and principal. The outstanding balance of secured NCDs as at March 31, 2017 was INR 13,172.00 crores (Previous year INR 8,770.00 crores).

5. Commercial Paper

The Company uses commercial paper as a source of funding its working capital needs and to bridge financing till such time as longer term securities are raised. During the year, the Company raised INR 14,295.00 crores (Previous year INR 15,825.00 crores) via issuance of commercial paper and repaid INR 14,950.00 crores (Previous year INR 12,400.00 crores). Company's short-term borrowings including commercial paper are rated 'CARE A1+'. These ratings indicate highest safety regarding timely re-payment. The outstanding balance of commercial paper as at March 31, 2017 was INR 4,370.00 crores (Previous year INR 5,025.00 crores).

6. Assignment/Sale of Loans

The Company sold loans amounting to INR 3,377 crores under the loan assignment route, during the year.

The advantage for the Company in selling loans under the loan assignment route is that there is no credit enhancement to be provided by the Company on the loans sold and the risk is passed on to the purchaser. The assignment of loan is also Return on Equity accretive to the Company as no capital or provisioning is required to be maintained on these loans. Further, despite the loans being off the balance sheet, the Company continues to receive a monthly income as servicing fee, thereby generating a stream of income in the future years on the loans sold.

As at March 31, 2017, total loans outstanding in respect of all loans sold/assigned stood at INR 2,960.47 crores. PNB Housing Finance continues to service these loans and is entitled to servicing fees on the loans sold/assigned.

7. Term loans from banks, institutions and refinance from NHB

The Company has borrowed funds with both long and short-term maturities from the banking sector at competitive rates. This year fresh loans procured from banks were nil (Previous year INR nil crores) while loans repaid amounted to INR 572.61 crores (Previous year INR 2,083.86 crores). The outstanding balance of bank term loans was INR 586.85 crores (Previous year INR 1,159.45 crores) as on March 31, 2017.

During the year, the Company has availed refinance of INR 1,000.00 crores (Previous year INR 900.00 crores) from the NHB. The outstanding refinance from the NHB as at March 31, 2017 of INR 2,748.40 crores (Previous year INR 2,078.85 crores) and is secured by hypothecation of specific loans/books debts against which refinance has been availed.

7A. Overdraft Facilities

The Company has added new OD/CC lines, with total lines now available for INR 2,150.00 crores (Previous year INR 1,500.00 crores). These OD/CC lines are at MCLR (marginal cost of funds/based lending rate) of the respective banks. These lines of credit act as backstop facility for CP issuance and also help in treasury operations of the Company.

8. **Initial public offering of INR 3,000 crores**

   During the year, the Company has successfully completed its IPO of INR 3,000 crores. The Company got listed on the National Stock Exchange and the Bombay Stock Exchange on November 7th, 2016. It was the largest ever initial public offer by a housing finance company/NBFC in India, the second largest IPO in 2016 and largest IPO by a public sector entity in the last 5 years. The funds received from the IPO are utilized to augment the capital base and will be utilized for business growth.

9. **Asset liability management**

   The ALM policy of the Company lays down the mechanism for assessment of various types of risks and alteration in the asset-liability portfolio to mitigate such risks. The asset liability management committee (ALCO) monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. ALCO also reviews the asset portfolio, lending rates, borrowing profile and cost of funds on periodic basis.

   Under Schedule III of the Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. However, the estimates based on past trends in respect of prepayments of loans and renewals of liabilities which are in accordance with the ALM guidelines issued by the NHB have not been taken into consideration while classifying the assets and liabilities under the Schedule III.

   The ALM position of the Company is based on the maturity buckets as per the guidelines issued by the NHB. In computing the information, certain assumptions, estimates and adjustments have been made by the management.

INTERNAL AUDIT

Along with the rapid growth in business, internal audit has achieved high standards of audit excellence. The Target Operating Model has been aligned with the new ESS, a new process for internal audit was established whereby disbursement and docket audit was shifted from CPC to Branches. External Legal Firms now conduct this audit concurrently. Findings are shared on monthly basis and the Audit report is issued quarterly.

Besides docket audit, at each of the Hubs, a separate team of internal auditors conduct audit of disbursed files and issue report quarterly. For purposes of auditing the rest of the functions such as accounts, deposits, general administration, IT, human resource, customer service, etc. the auditors visit branches twice a year. Transaction audit of the branches was completed as per the given scope and in time. Functions at CSO, treasury, finance and accounts, GAD, HR, are audited by an external auditor, Wholesale finance and Central Recovery functions are audited by in-house internal auditors on a quarterly basis.

RISK MANAGEMENT: ADDRESSING UNCERTAINITIES

While walking that extra mile to generate customer convenience is a priority for the Company, safeguarding itself from risks is equally important. A disciplined approach to risk management is important in a sector like housing finance to ensure that the Company achieves its strategic objectives and is well prepared to put up a resilient front against headwinds. PNB Housing has established a prudent risk management framework which supports sustainable and profitable growth. Consistent assessment, measurement, quantification and management of material risks enables informed business decision making and ensure tight vigilance over the changing dynamics in the business environment.

Liquidity and interest rate risk

The Company monitors the maturity profile of assets and liabilities through its assets and laibilities management committee (ALCO). ALCO is a strategic decision making body constituted by the Board, to mitigate the risks arising from cash flow mismatches. The committee comprises of the Managing Director and other senior functionaries.

Operational risk

A failure of internal processes, systems and people, as well as the impact of external forces, can be a threat to the operations. The Company uses information technology extensively in its operations. The processes and controls are reviewed periodically on predefined dates. Testing of control

measures is conducted at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information. The Company ensures that compliance with all applicable laws is in place.

CORPORATE SOCIAL RESPONSIBILITY: A CONCERNED APPROACH

Corporate Social Responsibility is an integral part at PNB Housing Finance and the Company strongly believes that its initiatives should empower the underprivileged communities in vital sectors making a meaningful impact on their lives and in their quest for a better future. The interventions undertaken by PNB Housing attempts to impact the development of the direct beneficiaries, while focusing to enhance the quality of lives of those who are present in the ecosystem of the impact area.

Keeping a key focus on people who are integral to real estate sector, the Company continued working towards the empowerment of construction workers and their immediate families during FY2016-17. Another area where meticulous efforts were made to have an impact was education of the underserved especially children.

Reaching out, reaching far through our on-site day care centres

The Company collaborated with Mobile Creches and various real estate developers to offer day care services to the children of construction workers on various construction sites providing health, nutrition, learning and care to foster their holistic development. These interventions also enable the workers, especially women, to focus on work and enhance their productivity. Currently the Company is operating 27 day care centers and has so far impacted the lives of around 2500 children across the Country.

Enhancing human potential through skill development

The scarcity of skilled workforce in the real estate sector continues to be a cause of concern to this labor intensive industry. PNB Housing has partnered with CREDAI to facilitate skill training programs for construction workers, using a mix of 'classroom' and 'on the job training'. The focus is not just on technical upgradation but also on social and behavioral aspects, mainly health and sanitation awareness, work safety etc. To bring the skills level at par with international benchmarks, technical training is imparted in trades of electrical, masonry, bar bending, shuttering, tilling, plumbing and painting. Through this initiative, the Company has influenced more than 4500 construction workers so far.

Strengthening Literacy

The efforts of PNB Housing to promote education is not limited to the construction industry. The Company supports Vidya - Rainbow Montessori School in New Delhi to empower the children of underprivileged families, with education. More than 300 children are ensured formal education up to grade 5 with an objective of enrolling them in government and private schools for further education. With minimal drop out rate, this year's session demonstrated an academic progress of about 95% across all the classes.

Support has also been extended to Primary School Adchini in Delhi which operates under a public private partnership with Vidya and South Delhi Municipal Corporation. Both the schools have collectively provided formal education to 400 children coming from the less privileged community.

FUTURE OUTLOOK

The road to 'Housing for All by 2022' mission is marked with hurdles. PNB Housing, the fifth largest housing finance company by portfolio, shall play its part along with the Government, real estate developers, lenders and the citizens to eradicate homelessness.

PNB Housing envisions a housing finance ecosystem

that is delightful and sustainable. Home loans is more than just a process of lending and recovering loans, it is about giving a family an opportunity to live in a home of their own even before they have been able to accumulate enough savings to buy one through outright purchase. Hence as a housing finance provider, the Company shoulders responsibilities that are beyond business. Fulfilling these responsibilities shall drive the pursuits of the organization in the year ahead.

With expansion being the engine of growth for the next few fiscals, PNB Housing has planned opening of new branches and outreaches across the Country to cater to its growing customer base. Front end digital utilities shall be bettered, so that ease of doing business is further pronounced in the eco system of the Company.

The Company shall refrain from price wars and focus on the quality of products and services for cementing relationships with its customers. It shall continue to delight its customers through need of the hour solutions.

The bar shall be raised in terms of efficiency through enhancement of its Enterprise System Solution and Target Operating Model.

This shall be the first year for PNB Housing after its IPO. The Company has laid down stringent benchmarks to prevent any dent in the profitability keeping in mind the phenomenon, that high business volume growth and geographical expansion, is often coupled with increasing trend of cost to income ratio (CIR).

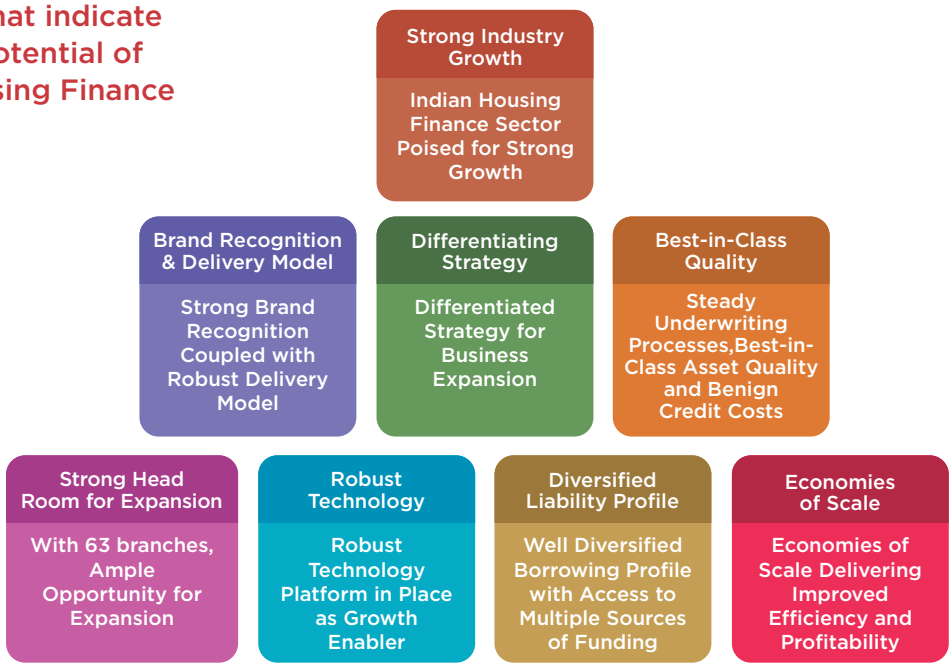
It is an ambitious plan, to be able to absorb all costs in the next two to three years, after executing the geographical expansion plan and putting the facilities to economic use from FY 2018-19 onwards. Thereafter, it is expected that the economies of scale will play out and opex to ATA and CIR ebb towards sector best before the next round of capital raise.

The Company shall continue its current business development strategies as they are augured well with the contemporary market scenario with a huge potential waiting to be tapped.

The efforts to exploit new frontiers in technology, unleashing hidden potential of the team members and bettering cost to income ratio shall be adjoined with deep impacting CSR initiatives.

Best practices will be followed in true earnest and

Factors that indicate growth potential of PNB Housing Finance



bettered wherever and whenever required.

Finally the robust governance, transparency, ethical practices and compliance shall guide the Company in maintaining its stature as a dependable housing finance partner which opens doors to the dreams of home aspirants.

Data Sources:

- World Economic Outlook Update by International Monetary Fund, January 2017
- Indian Mortgage Finance Market Update by ICRA
- Revitalizing Indian Real Estate: A New Era of Growth and Investment by Cushman and Wakefield
- Housing Boom Ahead by CLSA, April 2017
- Global economy walking a tight rope, Bill Gross warns published by Financial Times

Safe harbour statement

In this Annual report, certain statements are forward-looking, including and without limitation statements within the meaning of applicable laws and regulations, relating to the implementation, strategic initiatives and other information on our business, business development and commercial performance. While these forward-looking statements exemplify our judgment and future expectations concerning the development of our business, a number of risks and uncertainties and other important factors viz economic conditions affecting demand and supply, government regulations, natural calamities and so on, may cause actual development and results to differ materially from our expectations. PNB Housing Finance undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances.

Directors' Report

Your Directors welcome the extended family of shareholders and take pleasure in presenting the 29th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2017.

1. Financial Results

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Profit before tax	804.01	503.09
Less: Provision for Tax		
- Current year	264.00	165.98
- Earlier years	-	1.35
- Deferred Tax	16.28	9.29
Profit After Tax	**523.73**	**326.47**
Add: Balance brought forward from the previous year	275.25	111.66
	798.98	**438.13**
Appropriation of Profits		
Transfer to Special Reserve (including u/s 29C of NHB Act, 1987)	105.60	65.30
Transfer to General Reserve	52.39	48.97
Proposed Dividend	-	40.39
Dividend distribution Tax	-	8.22
Balance carried to Balance Sheet	640.99	275.25
	798.98	**438.13**

Income and expenditure

During the year, the Company earned total income of ₹ 3907.85 crores as compared to ₹ 2698.67 crores in previous year, recording a growth of 45%.

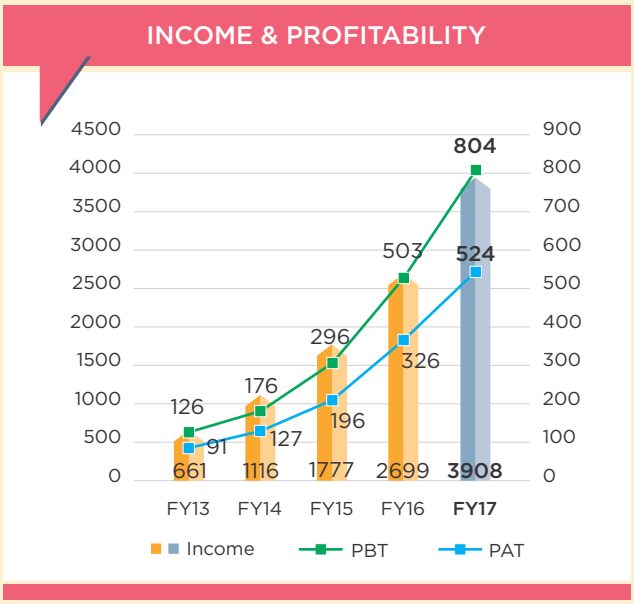
Total expenses, provisions and write offs during the year were ₹ 3103.84 crores as compared to ₹ 2195.58 crores in previous year, a growth of 42%.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 6.00 per share as compared to ₹ 3.40 per share for the previous year.

The dividend payout ratio including dividend distribution tax for the year ended March 31, 2017 will be 22.84%.

(₹ in crores)



Initial Public Offer

During the year under review, your Company completed its Initial Public Offering (IPO) of 3,87,19,309 equity shares of ₹ 10/- each, aggregating to ₹ 3,000 crores. The Issue constituted 23.37 % of the post issue paid-up equity share capital of the Company. The equity shares were offered at a price band of ₹ 750/- to ₹ 775/- and the Issue Price was fixed at ₹ 775/- per share. The issue price for the employees was fixed at ₹ 700/- per share.

Your Directors would like to state with great pleasure that the public issue received an overwhelming response from the investor community and was subscribed by over 20 times, with the QIB portion getting oversubscribed by over 38 times, Non-Institutional portion by over 80 times and the Retail portion by over 1.33 times.

The shares were transferred to the successful allotees on November 3rd, 2016 and trading in shares commenced on November 7th, 2016 at the National Stock Exchange of India and the Bombay Stock Exchange.

Your Directors would like to sincerely thank the investing public, institutions, customers and business partners for their trust, faith and confidence in the Company and for making the issue a grand success.

Lending Operations

The year gone by was a year of challenges and opportunities. The biggest challenge on the domestic front was demonetisation of ₹ 1000 and ₹ 500 notes announced by the Prime Minister on November 8th, 2016. There was short term impact of demonetisation on the business operations in the third quarter but the Company was quick to recover its growth momentum in the fourth quarter. The quick remonetisation has thrown new opportunities for growth as more money has flown into the formal sector.

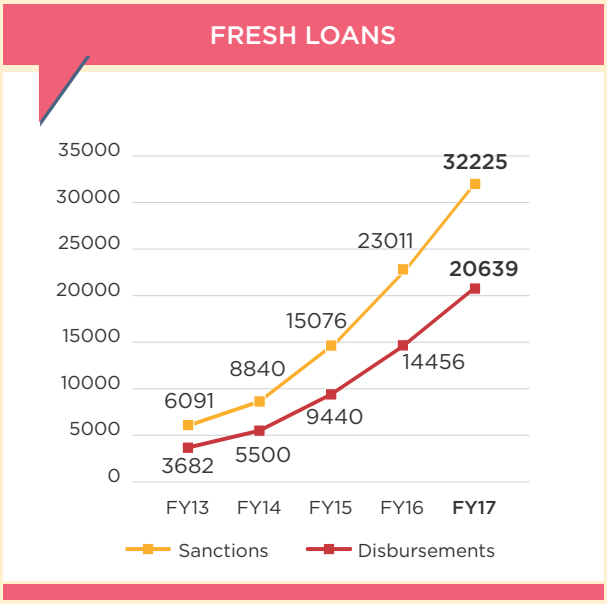
During the year, the Company's market position has further strengthened. The Company has maintained a healthy growth momentum in a tough economic environment. In terms of loan assets, the Company is the fifth largest Housing Finance Company in the country. With the right business model, governance structure, systems and operating framework to offer mark to market product proposition, Company is confident to deliver adequate shareholders' returns.

In order to cater to the mass housing segment, the Company has launched a new program "Unnati Home Loans" to tap mass housing segment particularly in tier II and tier III cities. This initiative will give a boost to disbursements in affordable housing loan portfolio.

During the year, the Company has sanctioned loans amounting to ₹ 32,225 crores in respect of 63,894 applications as compared to ₹ 23,011 crores in respect to 43,040 applications in the previous year, recording a growth of 40% in sanction amount.

During the year, the Company has disbursed loans amounting to ₹ 20,639 crores as compared to ₹ 14,456 crores in the previous year, recording a growth of 43%. Out of total disbursements, ₹ 14,192 crores loans were disbursed for housing and ₹ 6,447 crores were disbursed for non-housing purposes.

(₹ in crores)



Loan Book

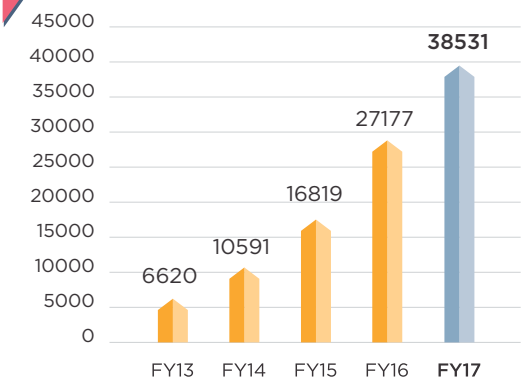
During the year, the Company sold loans amounting to ₹ 3,377 crores under loan assignment route. This was necessitated to meet funding requirements in order to maintain a leverage of less than sixteen times of the net

owned funds and also to meet requirements of capital to risk assets ratio (CRAR) as the Company awaited statutory approvals required for the IPO.

Loans outstanding (principal portion) as at March 31, 2017 were ₹ 38,531 crores, recording a growth of 42% over the last year.

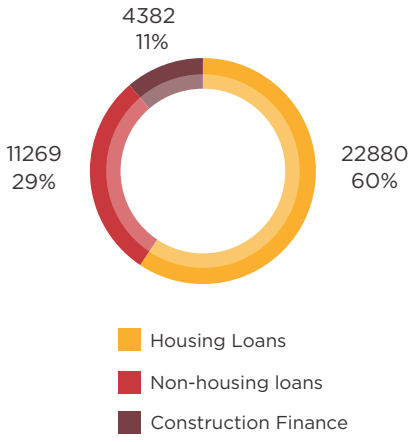
(₹ in crores)

LOAN OUTSTANDING



(₹ in crores)

COMPOSITION OF LOANS



The total Assets Under Management (AUM) as at March 31, 2017 were ₹ 41,491 crores, recording a growth of 51% over the previous year.

Distribution and Marketing

During the year, efforts were concentrated on further strengthening the distribution network by deepening presence in existing markets and expanding footprint in the new markets.

The Company has opened sixteen new branches during the year. These branches were opened in eleven existing locations and five new locations at Bhubaneshwar, Kanpur, Kolhapur, Rajkot and Madurai. As on March 31, 2017, Company has presence through 63 branches, 27 outreach locations, totalling to 90 distribution outlets in 60 cities.

Company's loan products are distributed through a strong in house team (RO Channel) and distribution tie-ups with the third parties (DMAs). The distribution channels only source loans and the Company has complete control over credit, legal and technical appraisals.

During the year, the Company focussed on both brand building and product promotion. The Company extensively used digital media for marketing and selectively used print, radio and television medium for brand building and product promotion. The Company participated in many exhibitions and fairs and for the first time, along with leading Developers of NCR sponsored "Ghar Utsav", which was a huge success.

Sales and Distribution Subsidiary

Over the years, the in-house (RO Channel) has played a key role in sourcing of new business for the Company. The channel now brings almost 46% of new retail business. It is proposed to further strengthen the RO channel, by forming a wholly owned subsidiary of the Company with its employees engaged in the business of sourcing of loans and other allied services.

Underwriting

The Company has well qualified and trained underwriters who have significantly contributed in business expansion. They are ably supported by legal, technical and fraud control teams. As on March 31, 2017, the Company has eighteen loan processing hubs, seven of which are located at North Zone, five at West Zone and six at South Zone. These hubs perform credit underwriting, legal and technical appraisal of each retail loan.

Recoveries and Non-Performing Loans

The Company has built a robust recovery team across India, which is also supported by use of technology i.e. mobile application for loan recovery by the field teams. The Company has maintained low levels of delinquencies and NPAs.

The recovery performance is a reflection of robust underwriting quality, legal and technical appraisal of loans.

The gross non-performing assets were ₹ 85.78 crores i.e. 0.22% of the outstanding loans (last year 0.22%) and net non-performing assets (after provision as per the NHB Directions) were ₹ 59.00 crores i.e. 0.15% of outstanding loans (last year 0.14%).

Provisions

The Company has been building sound provisions on its loan assets over the years. These provisions are under the heads of standard assets provisions, provisions for non-performing assets, as prescribed under the National Housing Bank Directions, 2010. In addition, "Provisions for 'Contingencies' to meet any contingencies in the future and to strengthen the Balance Sheet.

As per the NHB Directions, 2010, the Company is carrying a total provision of ₹ 193.97 crores towards standard loans and ₹ 26.78 crores towards non-performing loans. The Company is also carrying a sum of ₹ 39.48 crores in 'Provisions for Contingencies'.

Resources

The Company has built a well-diversified borrowing mix of non-convertible Debentures (NCDs), refinance from NHB, Deposits, Commercial Papers and external commercial borrowings (ECB).

During the year, the Company has raised resources of ₹ 25,627 crores from various sources.

The outstanding borrowings are a judicious mix of fixed and floating rate borrowings as well as money raised from international institutions; International Finance Corporation, Washington (IFC) and Asian Development Bank (ADB).

Secured Non-Convertible Debentures (NCDs)

The Company has raised ₹ 4,592 crores of secured NCDs through private placements as under;

- 8.33% Series XXVII of ₹ 300 crores, issued on June 1st, 2016.
- 8.47% Series XXVIII-A of ₹ 1,464 crores, issued on July 1st, 2016.
- 8.65% Series XXVIII-B of ₹ 753 crores, issued on July 1st, 2016
- 7.95% Series XXIX of ₹ 800 crores, issued on September 19th, 2016.
- 7.91% Series XXX of ₹ 250 crores, issued on September 29th, 2016.
- 7.46% Series XXXI of ₹ 1,025 crores, issued on January 31st, 2017.

The company has redeemed on maturity, secured NCD of Series III amounting to ₹ 100 crores on August 9th, 2016 and Series IV amounting to ₹ 90 crores on March 30th, 2017.

The outstanding balance of secured NCDs as on March 31, 2017 was ₹ 13,172 crores as against ₹ 8,770 crores in the previous year.

Subordinate Debt

The Company has raised ₹ 789 crores of unsecured subordinated debt through private placement of NCDs as under;

- 8.39% Series V of ₹ 290 crores, issued on April 28th, 2016.
- 8.57% Series VI of ₹ 499 crores, issued on July 26th, 2016.

The debt is subordinated to present and future senior indebtedness of the Company. Based upon the balance term of maturity as on March 31, 2017 an amount of ₹ 1,399 crores is considered as tier II capital under the NHB Directions for the purpose of computation of capital adequacy ratio.

The NCDs and subordinate debts issued by the Company are listed on wholesale debt segment of the National Stock Exchange.

External Commercial Borrowings

During the year, the Company has raised External

Commercial Borrowings (ECB) of USD 150 million from ADB for affordable housing scheme of the RBI.

The Company has so far raised USD 250 million in ECB from two multilateral lending institutions viz. IFC and ADB under affordable housing scheme of the RBI.

Deposits

Deposits are one of the major funding sources of the Company, contributing nearly 26% of the total loan assets. Over the last five years, the deposits have grown steadily with huge support from the depositors and deposit agents, who are instrumental in promoting Company's deposit products. The deposits of the Company have been rated FAAA/Negative by CRISIL and CARE AAA by CARE, which means highest safety.

Total outstanding deposits (including inter corporate deposits) as at March 31, 2017 were ₹ 9,987 crores as against ₹ 7,121 crores (including inter corporate deposits) outstanding last year, registering a growth of 40%.

The Company has accepted public deposits as per the NHB Directions, 2010 and as per the provisions of the Companies Act, 2013. The Company has paid/accrued interest on all the outstanding deposits on due dates. There has been no default on repayment of deposits or payment of interest thereon during the year.

Investment in SLR

The Company has maintained its Statutory Liquid Ratio (SLR) as stipulated by the NHB. The Company is having total SLR investments of ₹ 961.55 crores as on March 31, 2017. The Company has classified its SLR investments as per the NHB Directions, 2010.

Unclaimed Deposits and NCDs

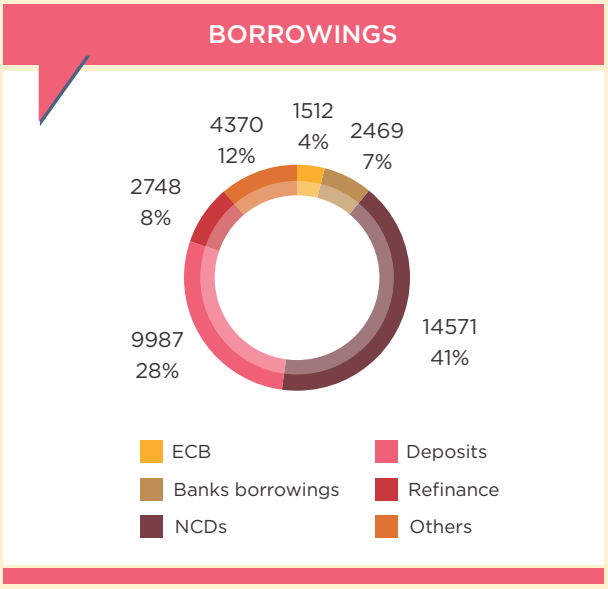
Out of the deposits, which became due for repayment up to March 31, 2017, public deposits of ₹ 40.74 crores, including interest accrued and due relating to 2,541 depositors, had not been claimed or renewed. The Depositors have been intimated regarding the maturity of their deposits with request to either renew or claim the deposits and subsequent reminders have been sent.

During the year, the Company has transferred an amount of ₹ 8.41 lakhs to Investor Education and Protection Fund (IEPF) established by the Central Government under section 125 of the Companies Act, 2013. In terms of the said section, no claim would lie against the Company after transfer to IEPF.

As at March 31, 2017 there was no NCDs or interest thereon, remaining unclaimed or unpaid.

The total outstanding borrowings as on March 31, 2017 were ₹ 35,657 crores with the following composition;

(₹ in crores)



Credit Rating

NCDs

During the year, different series of NCD issuances were rated. The outstanding ratings are; CARE AAA, India Rating AAA, ICRA AA+ (outlook stable) and CRISIL AA+ (outlook negative). These ratings indicate high safety.

Commercial Paper

CARE has rated commercial paper program at CARE A1+. The rating indicates highest safety.

Capital Adequacy Ratio

The capital adequacy ratio (CRAR) as on March 31, 2017 was 21.62% (comprising Tier I capital of 16.48% and Tier II capital of 5.14%). The NHB has prescribed minimum CRAR of 12% of total risk weighted assets.

Human Resources

In line with Company's core value of "People First", the HR processes and initiatives were aligned for building a superior human capital and keeping the work force across levels engaged and motivated. Company has a young work force with an average age of 32 years, which is receding with induction of young talent and Management Trainees.

The Company had started with campus hiring program in 2015 as a cadre building exercise with an aim to groom in house talent. The first batch has already been absorbed and the second batch of 2016 will be absorbed in the current year. The recruitment of third batch has been completed and the onboarding will start from May 2017.

During the year, right mix of people with an objective to attract and on board best talent with sound background were hired across functions. Cross functional exposure and career enhancement opportunities were given to the internal talent pool.

The Company has introduced multiple organisational development initiative to reinforce performance driven culture through performance management system. All the eligible employees are taken through a detailed and diligent appraisal process based on which increments, incentives and promotions are given.

The Company undertakes various Learning and Development program for enhancing employee's functional knowledge and skills. After an extensive training need analysis at the beginning of the year, a detailed training calendar is prepared to strengthen required capability for achieving the organizational goals.

During the year, the Company was certified as a Great Place to Work by building a 'High Trust, High Performance Culture'.

As on 31st March 2017, the Company had a total of 999 full time employees on its rolls. There were eight employees employed throughout the year, who were in receipt of remuneration of ₹ 60 lakhs or more per annum. In accordance with the provisions of Rule 5.2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of such employees are set out in annexure to the Directors' Report.

In terms of the provisions of section 136(1) of the Companies Act, 2013 read with the said rule, the Directors Report is being sent to all the shareholders excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company.

Further disclosures on managerial remuneration are provided in annexure appended to the Directors' Report.

Facility Management

The Company has standardized offices in look and feel and these offices are equipped with required facilities for the customers and for the employees. With the growth in business, all the old offices were either shifted to new and better locations in central business districts or were renovated.

During the year, the Company has added approximately 40,000 sq ft area in new and existing offices, taking the overall office space to 2.24 lac sq ft.

Technology

The Company had shifted all its operations to an integrated enterprise system solution (ESS) in FY 2015-16. During the year, few more upgradations were made in the ESS, major being, multiple reference rates, centralized banking through NACH, e-communication with the customers. The Company has also launched few new applications, such as, mobile application for the field collection team, v-connect for the business partners, mobile application for single window service to the customers.

Awards and Recognition

During the year, the Company has received following prestigious awards;

- PNB Housing was awarded for 'Excellence in Financial Services' at the Dainik Bhaskar's India Pride Awards 2016-17.
- PNB Housing was recognized for 'Brand Excellence in the NBFC category' at The Economic Times Best BFSI Brands 2016.
- PNB Housing was recognised 'Company of the Year' award at the 9th Annual Estate Awards 2016 organized by Franchise India and ET Now.
- PNB Housing received award at the prestigious

7th CMO Asia Awards for 'Excellence in Branding & Marketing'.

- PNB Housing received the award, instituted by Learning & Organisational Development Roundtable, as a testament of the best practices followed by the Company while building new capabilities and leveraging human potential.
- PNB Housing awarded 'Certificate of Merit' as 'Housing Finance Company of the Year' by CMO Asia at ABP News Presents Real Estate Awards.
- PNB Housing felicitated by International Finance Corporation (IFC) at the 2016 International Sustainable Finance Forum for its contribution in promoting green buildings initiative.
- PNB Housing accredited for the valuable contribution rendered to CREDAI Skilling program at the CREDAI Conclave 2017.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of the governance and business practices at PNB Housing. Company's CSR projects are aimed at empowering the underprivileged communities in vital sectors such as education, skilling of construction workers under Kushal and many more projects that have made a meaningful impact in their lives and in their quest for a better future.

The Company has signed an MOU with CREDAI for upskilling of 4,500 construction workers towards our continued commitment to improve their lives.

In accordance with the provisions of section 135 of the Companies Act, 2013 and rules framed thereunder, the Company has constituted a CSR Committee that reviews the CSR policy, steers activities to be undertaken by the Company towards CSR, and formulate a monitoring mechanism to ensure implementation of projects and activities undertaken by the Company.

During the year, the Company has spent a sum of ₹ 5.72 crores on various CSR activities and further an amount of ₹ 3.24 crores is committed for various ongoing projects. The annual report on CSR activities undertaken during the year forms part of annexure to the Board's Report.

Regulatory Compliance

The Company has been complying with the guidelines and directions issued by the NHB on asset classification, accounting standards, income recognition, provisioning, capital adequacy, concentration of credit/investments, credit rating etc. as amended from time to time.

The modified know your customer (KYC) guidelines, Fair Practise Code and anti money laundering (AML) standards as notified by the NHB are available on the Company's website. The Company has also adopted the model code of conduct for Direct Selling Agents and Guidelines for Recovery Agents as stipulated by NHB.

During the year, the NHB has issued new directions on corporate governance called HFC-Corporate Governance (NHB) Directions 2016. The Company is in compliance with the new directions and has also made disclosures in the Annual Report as required under the notification. The NHB has issued a notification on Auditors' Report (NHB) Directions, 2016. The Statutory Auditors have submitted a report to the Board on the various items as required under the notification.

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace. Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints. During the year under review, one complaint was received by the committee, which was disposed of.

New Policies and Codes

During the year, the Company has adopted many new policies and codes, which were required in terms of Listing Obligation and Disclosure Requirement issued by the SEBI. These were; (i) Insider trading policy, (ii) Related party policy, (iii) Whistle blower policy, (iv) Policy on preservation of documents, (v) Policy on archival of web disclosure, (vi) Dividend distribution policy, (vii) Policy on familiarization program for independent directors, (viii) Policy on Board diversity, (ix) Code of conduct for non-Executive Directors, (x) Code of conduct for Executive Directors and senior management and (xi) Insider trading code. These policies and codes are available on the website of the Company.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' given in the above rules since the company is engaged in providing housing loans. There were no foreign exchange earnings and the Company incurred foreign exchange expenditure of ₹ 43.61 crores during the year.

Directors

Mrs. Usha Ananthasubramanian has resigned from the Board with effect from May 5th, 2017 after she was appointed MD and CEO of Allahabad Bank. Your Board wish to place on record the exemplary leadership she provided and her valuable contribution as Chairperson of the Board.

Mr. Devinjit Singh, non-executive director has resigned from the Board with effect from 26th May 2017. Your Board wish to place on record his role as member of the Board and his expert advice and guidance during the IPO as member of the IPO Committee of the Board.

During the year, Mr. Tejinder Singh Laschar, an independent director had resigned from the Board on January 12th, 2017. Your directors wish to place on record contribution made by him on the Board and on its various Committees.

Mr. Sunil Mehta, MD and CEO of Punjab National Bank was appointed Additional Director and Chairman of the Board with effect from May 12th, 2017.

Mr. Ashwani Kumar Gupta was appointed as Additional Director on the Board with effect from May 12th, 2017. He is a Chartered Accountant by qualification and has over three decades of experience in various fields.

Re-appointment of Directors

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sunil Kaul is liable to retire by rotation at the ensuing Annual General Meeting (AGM). He is eligible for re-appointment.

The necessary resolutions and his profile for re-appointment has been included in the notice and in the explanatory statement of the notice convening the AGM.

Your directors recommend his re-appointment in the forthcoming AGM of the Company.

All the directors have confirmed that they are not disqualified from being re-appointed as directors in terms of Section 164 (2) of Companies Act, 2013.

Statutory Auditors

Messrs B R Maheswari & Co having registration no. 001035N were the Statutory Auditors for the financial year ended March 31, 2017 who were appointed by the Comptroller and Auditor General of India. The report of Statutory Auditors on annual accounts is enclosed along with Directors' Report.

Corporate Governance

The Company has been complying with the standards of corporate governance required under the Companies Act, 2013. The Board discharges the duties and responsibilities as required under the applicable statute(s) including the Companies Act. The Board lays strong emphasis on transparency, accountability, and integrity. The report on Corporate Governance is appended as a separate annexure to the Directors' Report.

A certificate from B R Maheswari & Co. Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is also attached to the Corporate Governance Report.

Directors' Responsibility Statement

In terms of the provisions of section 134 (3) (c) of the Companies Act, 2013 the Board of Directors Report that;

i. In preparation of annual accounts, the applicable accounting standards have been followed.

ii. The Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and the profit and loss account for the year ended March 31, 2017.

iii. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing

and detecting fraud and other irregularities.

iv. That the Company has prepared the accounts on a going concern basis.

v. The Company has laid down internal controls which are adequate and are operating effectively.

vi. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Extracts of Annual Return (Form No. MGT 9)

The details forming part of the extracts of the Annual Return in Form MGT-9 is given in annexure to the Directors' Report.

Secretarial Audit Report

Pursuant to the provisions of section 204 of the Companies Act, 2013 the Company has appointed M/s Preeti Pahwa & Associates a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as annexure to this report.

Particulars of loans, guarantees or investments made

Since the Company is a housing finance company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of section 186(11) of the Companies Act, 2013.

The details of investments made by the Company are provided under note 12 and note 15 forming part of Annual Accounts of the Company for the year ended March 31, 2017.

Particulars of contract or arrangements entered Material changes, details of subsidiaries and litigations

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the close of the financial year to which the financial statement relates and the date of the Report.

There has been no change in the nature of business of the Company. No material or significant order has been passed by the Regulator or Courts or Tribunals impacting the going concern status of the Company. The Company does not have any subsidiary.

Employees Stock Option Scheme (ESOS)

The ESOS Scheme of the Company was approved by the shareholders in the Extra General Meeting held on April 22nd, 2016. As per the scheme, 9,44,173 number of equity shares were allotted to 94 employees on May 11th, 2017 after the first anniversary of the scheme.

Modification in Articles of Association

The shareholders in the extra ordinary general meeting held on April 22nd, 2016 have approved modification in Articles of Association of the Company to align the new Articles with the provisions of new Companies Act, 2013 and SEBI (LODR), 2015.

The shareholders have also approved new Articles of Association of the Company, which have replaced the earlier Articles after listing of equity shares. The necessary formalities in this regard have been completed.

Acknowledgments

The Board of Directors thank the valued customers, shareholders, business partners and well-wishers for their wholehearted support.

The Board acknowledge with gratitude the advice, guidance and support of Government of India, Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and other statutory bodies/departments.

The Directors place on record their appreciation and gratitude to Depositors, Debenture holders, IFC, ADB, Bankers, Legal advisors, Merchant Bankers, Registrar and Transfer Agents of the Company for their continued confidence and contribution to the growth of the Company and for making the IPO a grand success.

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

For and on behalf of the Board

Sunil Mehta
Chairman

Dated: May 27th, 2017
Place: New Delhi

Annexure to Directors' Report-1

Employee Remuneration

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17: 23:1

2. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary, if any, in the financial year 2016-17;

Name	Designation	Increase in Fixed Remuneration (%)
Mr. Sanjaya Gupta	Managing Director	15%
Mr. Jayesh Jain	Chief Financial Officer	30%
Mr. Sanjay Jain	Company Secretary & Head Compliance	8%

The performance linked variable pay given to the above managerial personnel is ₹ 83.09 lakhs, ₹ 25.94. lakhs and ₹ 16.78 lakhs respectively.

3. The percentage increase in the median remuneration of employees in the financial year 2016-17: 10.05%.

4. The number of permanent employees on the rolls of company as on March 31, 2017: 999.

5. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The average increase in the salary of employees other than managerial personnel is 9.94% compared to the average increase of 13.3% of managerial personnel. The reason for the higher increase is due to salary correction given to CFO over and above his merit linked increment.

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

6. Affirmation that the remuneration is as per the remuneration policy of the company:

   The remuneration is as per the remuneration policy of the Company.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or program proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.**

Saksham - A PNB Housing CSR Initiative

Saksham means "capable" or "skilled", PNB Housing through its Corporate Social Responsibility initiatives aims to be a catalyst that enables the marginalized community to be empowered and self-reliant.

We have embodied the principles of corporate responsibility in our business philosophy and operations. In our journey so far, we have built a sustainable business model and created value for our stake holders. We are confident that we will be able to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

Our CSR Mission

To plan interventions, which are holistic in nature and attempts to improve the socio-economic condition of the community at large. The interventions will not only impact the development of the direct beneficiaries, but is an attempt to enhance the quality of lives of those who are present in the ecosystem of the impact area.

Our CSR Policy

The CSR policy of the Company ensures an effective and sustained CSR program, which manifests in the form of a progressive, socially responsible and enlightened attitude. At a conceptual level, Company's policies on CSR are oriented towards stakeholder-participation approach, where the target groups are seen as stakeholders in the community. Their well-being is integral to the long-term success of the Company and not merely a charity-oriented approach.

The CSR policy of the Company is based on three guiding principles:

- Sustainability
- Transparency
- Accountability

The CSR Policy of the Company is available on Company's website: http://www.pnbhousing.com/pdf/CSR-policy-final.pdf

Our Strategy

The Company evolved its CSR strategy, which is linked to the core business model and above all creating positive and sustainable social impact on the society at large. The CSR strategy and subsequent initiatives were formulated after a series of discussions and deliberations that were held with internal stakeholders and partnering organization to ensure that the strategy adopted is at par with CSR practices prevalent in the country.

Stakeholder mapping and identification of key thematic areas

The CSR Executive Committee through a stakeholder mapping exercise has identified that the construction workers and their families significantly contributes to the mortgage industry and continue to be at the bottom of the pyramid of social strata. Through our strategic CSR intervention, we have identified construction workers and their immediate families as our key stakeholder and primary beneficiaries of CSR initiatives. The CSR Committee also outlined other key thematic areas for social investments as under:

- Promoting education for marginalised children.
- Improving access to health facilities.
- Environment Conservation.

Evaluation of stakeholders' needs

The Company evaluated the social and economic needs of the construction workers community by holding on site evaluation of labour colonies at the construction sites with organizations primarily working towards welfare of the construction workers. This exercise has helped in planning and executing the following interventions for the construction workers and their immediate family members:

- Establishing of day care centres for the children of construction workers at labour colonies.
- Enhancing the skills of construction workers in eight work related trades.

Other key intervention that were planned and executed are:

- Promoting education – formal and non-formal education.
- Environment conservation.
- Promoting culture.

2. The Composition of the CSR Committee

1. Mr. R Chandrasekaran
2. Dr. Ram S. Sangapure
3. Mr. Sunil Kaul
4. Mr. Sanjaya Gupta

The CSR committee has also constituted a CSR Executive Committee which works under the guidance of the CSR Committee of the Board to ensure effective implementation of the programs. The Managing Director oversees the working of this Executive Committee.

3. Average net profit of the Company for the last three financial years

	FY2013-14 (₹ in crores)	FY2014-15 (₹ in crores)	FY2015-16 (₹ in crores)	Average (₹ in crores)
PBT	175.74	295.77	503.08	324.86
Total CSR Expenses for FY2016-17				6.50

4. Details of CSR spent during the financial year:

a)	Total amount to be spent during the FY2016-17	₹ 6.50 crores
	Carried forward from FY2015-16	₹ 3.56 crores
	Total available amount to be spent for CSR in FY2016-17	₹ 10.06 crores
b)	Total amount spent during FY2016-17	₹ 5.72 crores
c)	Amount unspent, if any	₹ 4.34 crores*
d)	CSR expenditure yet to be disbursed for existing projects rolled out in FY2016-17	₹ 1.65 crores

* Various CSR projects initiated by the Company will be funded over a period of 12-18 months. Specific budget has been allocated for each phase of ongoing projects. The Company has disbursed some amount to the implementation partner to initiate the projects. The projects will be further funded based upon their scheduled progress. The Company has executed Memorandum of Understanding with the implementing partners. Out of the unspent amount of ₹ 4.34 crores, the amount committed for the on-going projects is ₹ 1.65 crores. Hence, the unspent amount post these committed projects is ₹ 2.69 crores.

e) Manner in which the amount was spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (₹ in lakhs) (2) overhead (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
Projects - Skill Training of Construction Workers							
(1)	Promoting Education	Promoting on the job skill development for the construction workers Pan India	Kushal- an onsite training program for the upskilling of 1530 construction workers	113.96	Direct Expenditure- 73.82 Overhead- 8.20	82.02 (The project is closed for FY2016-17)	Implementing agency- "CREDAI National"
(2)	Promoting Education	Promoting on the job skill development for the construction workers Pan India	Kushal- an onsite training program for the upskilling of 1600 construction workers	135.52	Direct Expenditure- 121.97 Overhead- 13.55	135.52	Implementing agency- "CREDAI CSR FOUNDATION"
(3)	Promoting Education	Promoting on the job skill development for the construction workers in West Bengal	Kushal- an onsite training program for the upskilling of 1000 construction workers	84.70	Direct Expenditure- 38.12 Overhead- 4.23	42.35 The project is currently on-going and according to the Memorandum of Understanding final tranche is scheduled to be released in May-June 2017	Implementing agency- "CREDAI CSR FOUNDATION"
Projects – Day care centres for the children of Construction Workers							
(4)	Promoting Education and Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing two day care centres at construction sites in Pune	29.75	Direct Expenditure- 27.55 Overhead- 2.20	29.75	Implementing agency- "Tara Mobile Creches Pune"
(5)	Promoting Education & Eradicating	A holistic day care centres for the	Establishing one day care centre at	12.74	Direct Expenditure- 5.86	6.37 (The project will be initiated	Implementing agency- "Tara Mobile

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (₹ in lakhs) (2) overhead (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
	Malnutrition	children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	construction site in Pune		Overhead-0.51	in April and to ensure effective implementation the first tranche was released in March 2017)	Creches Pune"
(6)	Promoting Education & Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing thirteen day care centres at construction sites Pan India	126.13	Direct Expenditure-52.11 Overhead-5.79	57.90 (The project duration is 15 months two tranches have been already disbursed to the partner organization)	Implementing agency-"Mobile Creches"
(7)	Promoting Education & Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing one day care centre at construction sites in Delhi-NCR	8.49	Direct Expenditure-7.64 Overhead-0.85	8.49	Implementing agency-"Mobile Creches"
(8)	Promoting Education & Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing one day care centre at construction sites in Faridabad	12.27	Direct Expenditure-11.14 Overhead-1.13	12.27	Implementing agency-"Savera"

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (₹ in lakhs) (2) overhead (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
(9)	Promoting Education & Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing Seven day care centres at construction sites in Hyderabad	50.57	Direct Expenditure-15.51 Overhead-1.35	16.86 (The project duration is 15 months and only one tranche could be disbursed to the partner organization because the project is at nascent stage)	Implementing agency-"Plan International-India Chapter"
(10)	Promoting Education & Eradicating Malnutrition	A holistic day care centres for the children of construction workers ensuring education, health and nutrition for children under the age group 0-14 years	Establishing one day care centre at construction sites in Mumbai	38.50	Direct Expenditure-19.63 Overhead-2.18	21.81 (The project duration is 15 months two tranches have been already disbursed to the partner organization)	Implementing agency-"Mumbai Mobile Creches"
Project – Supporting education of underprivileged children							
(11)	Promoting education	Education	Supporting the VIDYA-Bal Vihar school with their school running cost	74.68	Direct Expenditure-63.91 Overhead-6.31	70.22 (The project is closed for 2016-17)	Through implementing agency-"VIDYA Integrated Development for Youth and Adults"
(12)	Promoting Education & Eradicating Malnutrition	Education & Health Care	Providing early childhood care and education facilities to the children of working mothers residing in slums of Delhi through three day care centres	35.18	Direct Expenditure-31.98 Overhead-3.20	35.18	Implementing agency-"Mobile Creches"

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (₹ in lakhs) (2) overhead (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
(13)	Promoting education	Education	Supporting the construction of hostel for Tribal Gils in Pune	1.51	Direct Expenditure-1.51	1.51	Through implementing agency-"Vanavasi Kalyan Ashram, Maharashtra"
(14)	Promoting education	Education	Supporting scholarship for underprivileged children	2.00	Direct Expenditure-2.00	2.00	Through implementing agency-"PFWS-WAJIFA"
(15)	Promoting education	Education	Supporting the education for underprivileged children	0.75	Direct Expenditure-0.75	0.75	Through implementing agency-"JM Financial Foundation"
			Environment Conservation				
(16)	Environment Conservation	Swach Bharat Abhiyan	To refurbish a park in partnership with Faridabad Government, Haryana	25.00	Direct Expenditure-0.80	0.80 The project was initiated in the month of January 2017 & is expected to be completed by June 2017	Implementing agency-misc.
(17)	Promoting Heritage, Art and Culture	Art & Culture	Supporting children with disability perusing music	1.00	Direct Expenditure-1.00	1.00	Implementing agency-"Naad Foundation"
(18)	Promoting Heritage, Art and Culture	Art & Culture	Restoring Art	0.25	Direct Expenditure-0.25	0.25	Implementing agency-"IBAADAT Foundation"
(19)	PM Relief Fund			20.00	Direct Expenditure-20.00	20.00	Implementing agency-"PM Relief"
(20)	Overheads					26.87	
	Total			**773.00**		**571.92**	

5. Details of Implementing Agencies:

The Company has carried out its CSR interventions primarily through non-profit organizations. During the year, grants were provided to 13 implementing agencies, out of which major ones are:

a) **Mobile Creches for Working Mothers Children (MC):** over four decades ago, Mobile Creches (MC) came into being with the first creche, at a construction site, for the children of migrant construction workers. MC has been providing health and childcare services to children at construction sites and urban slums in Delhi (NCR) since 1969. It has focused its energies into working closely with the urban slum communities in Delhi NCR.

b) **Mumbai Mobile Creches (MMC):** it was founded in 1972 in Mumbai with the belief that every child has the fundamental right to security, education, health care and protection. It is running day care centres on construction sites for the past 43 years. At present, it runs 19 centres in Mumbai, Navi Mumbai and Thane. It has reached over 1,00,000 children, since its inception.

c) **Tara Mobile Creches Pune (TMCP):** a non-profit organization, set up in 2007. It ensures that migrant construction worker's children enjoy the right to safety, healthcare, education, recreation and participation. TMCP operates centres, or creches, on construction sites in and around Pune. At these centres, TMCP provides a stimulating environment that fosters the importance of good childcare and contributes to the safety and all-round development of the children on the site.

d) **Plan India:** it is a member of Plan International Federation. It is a nationally registered independent child development organization committed to creating a lasting impact in the lives of vulnerable and excluded children, their families and communities. For over 35 years, 'Plan India' and its partners have improved the lives of millions of children by providing them access to protection, basic education, proper healthcare, a healthy environment, livelihood opportunities and participation in decisions which affect their lives.

e) **The CREDAI CSR Foundation (CCF):** the CSR arm of Confederation of Real Estate Developers Associations' of India (CREDAI) is engaged in the preparation of, development and execution of social and charitable projects, including projects to promote and protect the interest of construction workers. It also promote welfare schemes for them such as skill development, health, hygiene, literacy and others; set up and/or maintain polytechnic colleges and educational institutions including playgrounds, recreation facilities and other institutions of social and cultural value and other social work projects of various kinds included under the Corporate Social Responsibility (CSR) program as recognized from time to time.

f) **Vidya-Integrated Development of Youths and Adults:** is a registered not-for-profit organization, started in 1985, at IIT Delhi campus, for education and empowerment of underprivileged children, youth and women through micro-level intervention. VIDYA has made a difference in the lives of more than 2,75,000 families for over 30 years, by providing nationally recognized, grass-root level program that include schools, remedial education, computer training, adult literacy, skills training and social entrepreneurship, in some of the poorest neighbourhoods of Delhi, Haryana, Mumbai and Bangalore.

g) **PM National Relief Fund:** in pursuance of an appeal by the then Prime Minister, Pt. Jawaharlal Nehru in January, 1948, the Prime Minister's National Relief Fund (PMNRF) was established with public contributions to assist displaced persons from Pakistan. The resources of the PMNRF are now utilized primarily to render immediate relief to families of those killed in natural calamities like floods, cyclones, earthquakes, etc. and to the victims of the major accidents and riots.

6. **In case the company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the company shall provide the reasons for not spending the amount:**

- Limited social organizations ensuring welfare for construction workers: PNB Housing Finance has articulated construction workers as their key beneficiaries to work with under their CSR commitment there are only a handful of organizations that work with this underprivileged community. In addition, the Company is promoting health, education and is also contributing in PMNRF. The Company is committed to spent full amount as it gains more experience and gets more opportunities to spend on CSR projects as per its stated policy.

The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of PNB Housing Finance Limited.

Managing Director **Chairman of CSR Committee**

Form MGT 9

Extracts of Annual return As on March 31, 2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies Management and Administration Rules, 2014)

1. Registration and other details

CIN	L65922DL1988PLC033856
Registration Date	11th November 1988
Name of the Company	PNB Housing Finance Limited
Category/Sub Category of the Company	Housing Finance
Address of the registered office and contact details	9th Floor, Antriksh Bhawan, 22, K G Marg, New Delhi-110001, Tel: 011-23445200, Fax: 011-23736857
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Name : Link Intime India Private Ltd. Address : C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000, Fax: +91 22 49186060 E-mail:pnbhfl.ipo@linkintime.co.in Website: www.linkintime.co.in

2. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and description of main products/services	NIC code of the product/service	% of the total turnover of the Company
1.	Housing and non-housing loans	6464990	100%

3. Particulars of Holding, Subsidiary and Associate Companies

The Company does not have a holding or subsidiary company. PNB is the promoter Company.

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Punjab National Bank 7, Bhikhaiji Cama Place New Delhi - 110607	Bank	Associate	39.08%	-

4 Shareholding pattern (Equity share capital break up as percentage of total equity)

I. Category-wise Share Holding

Category of shareholder	No. of shares held at the beginning of the year (Demat.)		No. of shares held at the end of the year (Demat.)		% change during the year
	Number	% age of shares	Number	% age of shares	
A. Promoters					
1) Indian					
a) Individual/HUF	-	-	-	-	-
b) Central Govt	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-
d) Bodies Corp. Punjab National Bank	64730700	51%	64730700	39.08*	(11.92)*
e) Banks/FI	-	-	-	-	-
f) Any Other	-	-	-	-	-
Sub-total (A)(1):	**64730700**	**51%**	**64730700**	**39.08***	**(11.92)***
2) Foreign					
a) NRIs-Individuals	-	-	-	-	-
b) Other Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks / FI					
e) Any Other....	-	-	-	-	-
Sub-total (A)(2):	**-**	**-**	**-**	**-**	**-**
Total shareholding of promoter (A)=(A)(1)+(A)(2)	**64730700**	**51%**	**64730700**	**39.08***	**(11.92)***
B. Public shareholding					
1) Institutions					
a) Mutual Funds	-	-	6720510	4.06	4.06
b) Banks/FI	-	-	88803	0.05	0.05
c) Central Govt	-	-	0	0	0
d) State Govt(s)	-	-	0	0	0
e) Venture Capital Funds	-	-	0	0	0
f) Insurance Companies	-	-	0	0	0
g) FIIs	-	-	25428871	15.36	15.36
h) Foreign Venture Capital Funds	-	-	0	0	0
I) Others (specify)	-	-	0	0	0
Sub total (B) (1) :	**0**	**-**	**32238184**	**19.47**	**19.47**
2) Non-Institutions	-	-			
a) Bodies Corp.			0		0
i) Indian			2106874	1.27	1.27

Category of shareholder	No. of shares held at the beginning of the year (Demat.)		No. of shares held at the end of the year (Demat.)		% change during the year
	Number	% age of shares	Number	% age of shares	
ii) Overseas			-	-	-
b) Individuals	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	3183277	1.92	1.92
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	510053	0.30	0.30
c) Others (specify)					
• Trusts	-	-	617	0.00	Negligible change
• Foreign Nationals	-	-	425	0.00	Negligible change
• Hindu Undivided Family	-	-	239720	0.14	0.14
• Foreign Companies#	62192300	49	62192300	37.55	(11.45)
• Non Resident Indians (Non Repat)	-	-	59870	0.04	0.04
• Non Resident Indians (Repat)	-	-	137563	0.08	0.08
• Clearing Member	-	-	242726	0.15	0.15
Sub-total(B) (2):	**62192300**	**49**	**68673425**	**41.45**	**(7.55)**
Total Public Shareholding (B)= (B)(1) + (B)(2)	**62192300**	**49**	**100911609**	**60.92**	**11.92**
(C) Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**126923000**	**100**	**165642309**	**100**	**-**

* The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 38719309 equity shares under IPO.

The percentage shareholding of foreign companies has reduced pursuant to allotment of 38719309 equity shares under IPO.

II. Shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			No. of shares held at the end of the year (Demat.)			
		No. of shares	% of total shares of the Company	% of total shares encumbered/ pledged to total shares	No. of shares	% of total shares of the Company	% of total shares encumbered/ pledged	% change in holding during the year
1.	Punjab National Bank	64730700	51	-	64730700	39.08	-	(11.92%)*

* The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 38719309 equity shares under IPO.

III. Change in Promoters' shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	At the beginning of the year	64730700	51.00	64730700	51.00
2.	At the end of the year	64730700	39.08	64730700	(11.92)

* The percentage shareholding of Punjab National Bank has reduced pursuant to allotment of 38719309 equity shares under IPO.

IV. Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.	Name	No. of Shares as on 1st April 2016	% of total Shares of the company	Date	Increase in/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
							No. of shares	% of total shares of the company
1.	Quality Investment Holdings	-	-	27-03-2017	62192300	Transfer	62192300	37.55
	Closing balance						62192300	37.55
2.	General Atlantic Singapore Fund- FII PTE Ltd.	-	-	01.04.2016				
				04.11.2016	994933	Allotment	994933	0.600
				11.11.2016	7308570	Purchase	8303503	5.012
				25.11.2016	390000	Purchase	8693503	5.248
				02.12.2016	335036	Purchase	9028539	5.450

Sr.	Name	No. of Shares as on 1st April 2016	% of total Shares of the Company	Date	Increase in/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
							No. of shares	% of total shares of the Company
				09.12.2016	1965998	Purchase	10994537	6.637
				16.12.2016	286000	Purchase	11280537	6.810
				23.12.2016	144000	Purchase	11424537	6.897
	Closing Balance						11424537	6.897
3.	Motilal Oswal Most Focussed Multicap 35 Fund	-	-	01.04.2016				
				04.11.2016	174816	Allotment	174816	0.1055
				11.11.2016	1904226	Purchase	2079042	1.2551
				18.11.2016	(433323)	Sale	1645719	0.9935
				25.11.2016	56642	Purchase	1702361	1.0277
				09.12.2016	(1907)	Sale	1700454	1.0266
				16.12.2016	(67416)	Sale	1633038	0.9859
				23.12.2016	102709	Purchase	1735747	1.0479
				06.01.2017	(32223)	Sale	1703524	1.0284
				13.01.2017	59595	Purchase	1763119	1.0644
				20.01.2017	264737	Purchase	2027856	1.2242
				03.02.2017	90224	Purchase	2118080	1.2787
				10.02.2017	80171	Purchase	2198251	1.3271
				17.02.2017	70000	Purchase	2268251	1.3694
				24.02.2017	36500	Purchase	2304751	1.3914
				03.03.2017	9579	Purchase	2314330	1.3972
				10.03.2017	28530	Purchase	2342860	1.4144
				17.03.2017	66308	Purchase	2409168	1.4544
				24.03.2017	39111	Purchase	2448279	1.4781
				31.03.2017	43157	Purchase	2491436	1.5041
	Closing Balance						2491436	1.5041
4.	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Balance 95 Fund	-	-	01.04.2016				
				04.11.2016	960937	Allotment	960937	0.5801
				11.11.2016	785925	Purchase	1746862	1.0546

Sr.	Name	No. of Shares as on 1st April 2016	% of total Shares of the company	Date	Increase in/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
							No. of shares	% of total shares of the company
				18.11.2016	(105000)	Sale	1641862	0.9912
				25.11.2016	(69660)	Sale	1572202	0.9492
				02.12.2016	(5000)	Sale	1567202	0.9461
				09.12.2016	16138	Purchase	1583340	0.9559
				16.12.2016	105000	Purchase	1688340	1.0193
				23.12.2016	92500	Purchase	1780840	1.0751
				13.01.2017	29698	Purchase	1810538	1.0930
				20.01.2017	(4000)	Sale	1806538	1.0906
				27.01.2017	27820	Purchase	1834358	1.1074
				03.02.2017	50000	Purchase	1884358	1.1376
				17.02.2017	(78000)	Sale	1806358	1.0905
				10.03.2017	50000	Purchase	1856358	1.1207
				17.03.2017	97000	Purchase	1953358	1.1793
				31.03.2017	165267	Purchase	2118625	1.2790
	Closing Balance						2118625	1.2790
5.	Government of Singapore	-	-	01.04.2016				
				04.11.2016	905372	Allotment	905372	0.5466
				11.11.2016	179547	Purchase	1084919	0.6550
				18.11.2016	451093	Purchase	1536012	0.9273
				02.12.2016	90098	Purchase	1626110	0.9817
				09.12.2016	154200	Purchase	1780310	1.0748
				27.01.2017	63096	Purchase	1843406	1.1129
				10.03.2017	(77203)	Sale	1766203	1.0663
				17.03.2017	(186309)	Sale	1579894	0.9538
	Closing Balance						1579894	0.9538
6.	Parvest Equity India	-	-	01.04.2016				
				11.11.2016	1500000	Purchase	1500000	0.9056
				18.11.2016	(95000)	Sale	1405000	0.8482
				23.12.2016	(74594)	Sale	1330406	0.8032
				06.01.2017	(220406)	Sale	1110000	0.6701
				03.02.2017	70000	Purchase	1180000	0.7124
	Closing Balance						1180000	0.7124
7.	Wasatch International Growth Fund	-	-	01.04.2016				

Sr.	Name	No. of Shares as on 1st April 2016	% of total Shares of the company	Date	Increase in/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
							No. of shares	% of total shares of the company
				18.11.2016	481940	Purchase	481940	0.2910
				06.01.2017	(3763)	Sale	478177	0.2887
				27.01.2017	177928	Purchase	656105	0.3961
				03.02.2017	126566	Purchase	782671	0.4725
				10.02.2017	45036	Purchase	827707	0.4997
				17.02.2017	172345	Purchase	1000052	0.6037
				24.02.2017	36775	Purchase	1036827	0.6259
	Closing Balance						1036827	0.6259
8.	BNY Mellon Trust and Depositary (UK) Limited as trustee for St. James's Place Emerging Markets Equity Unit Trust managed by Wasatch Advisors Inc	-	-	01.04.2016				
				24.03.2017	1024231	Purchase	1024231	0.6183
	Closing Balance						1024231	0.6183
9.	SBI Life Insurance Co. Ltd	-	-	01.04.2016				
				04.11.2016	704961	Allotment	704961	0.4256
				11.11.2016	82700	Purchase	787661	0.4755
				18.11.2016	(139196)	Sale	648465	0.3915
				25.11.2016	(60000)	Sale	588465	0.3553
				02.12.2016	15245	Purchase	603710	0.3645
				09.12.2016	17331	Purchase	621041	0.3749
				16.12.2016	(17188)	Sale	603853	0.3646
				23.12.2016	788	Purchase	604641	0.3650
				30.12.2016	44725	Purchase	649366	0.3920
				06.01.2017	(33848)	Sale	615518	0.3716
				13.01.2017	1275	Purchase	616793	0.3724
				20.01.2017	(81385)	Sale	535408	0.3232
				27.01.2017	16573	Transfer	551981	0.3332
				03.02.2017	(556)	Sale	551425	0.3329
				10.02.2017	171242	Purchase	722667	0.4363

Sr.	Name	No. of Shares as on 1st April 2016	% of total Shares of the company	Date	Increase in/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
							No. of shares	% of total shares of the company
				17.02.2017	1171	Purchase	723838	0.4370
				24.02.2017	15000	Purchase	738838	0.4460
				03.03.2017	(53547)	Sale	685291	0.4137
				10.03.2017	24500	Purchase	709791	0.4285
				17.03.2017	(4851)	Sale	704940	0.4256
				24.03.2017	(1975)	Sale	702965	0.4244
				31.03.2017	150000	Purchase	852965	0.5149
	Closing Balance						852965	0.5149
10.	Stichting Depositary Apg Emerging Markets Equity Pool			01.04.2016	-	-		
				04.11.2016	215194	Allotment	215194	0.1299
				09.12.2016	96131	Purchase	311325	0.1880
				16.12.2016	207349	Purchase	518674	0.3131
				23.12.2016	234420	Purchase	753094	0.4547
				30.12.2016	100	Purchase	753194	0.4547
	Closing Balance						753194	0.4547

V. Shareholding of Directors and Key Management Personnel

Sr.	Name	Shareholding		Date	Increase in/ Decrease in share-holding	Reason	Number	Cumulative Shareholding as on March 31, 2017)	
		No. of Shares as on 1st April' 16	% of total Shares of the company					No. of shares	% of total shares of the company
1.	Sanjaya Gupta, Managing Director	-	-	04-11-16	304	Allotment under IPO	0	304	negligible
2.	Jayesh Jain Chief Financial Officer	-	-	04-11-16	304	do	304	0	-
3.	Sanjay Jain, Company Secretary & Head Compliance	-	-	04-11-16	285	do	0	285	negligible

5. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in crores)

	Secured loans excluding deposits	Unsecured loans indebtedness	Deposits	Total
At the beginning of the financial year				
I. Principal amount	13402.71	5640.31	6970.65	26013.67
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	14.22	-	145.20	159.42
Total	**13416.93**	**5640.31**	**7115.85**	**26173.09**
Change in indebtedness during the financial year	6498.65	128.69	2871.22	9498.56
At the end of the financial year				
1. Principal amount	19900.78	5769.00	9827.33	35497.11
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	14.80	-	159.74	174.54
Total	**19915.58**	**5769.00**	**9987.07**	**35671.65**

6. Remuneration of Directors and Key Managerial Personnel

I. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of remuneration	Name of the Managing Director	Total amount (₹)
1.	Gross Salary a) Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	Mr. Sanjaya Gupta	93,53,471
	b) Value of perquisites under section 17(2) of the Income tax Act, 1961		-
	c) 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		83,09,150
	Total (A)		**1,76,62,621**
	Ceiling as per Act		**40,20,00,000**

*In terms of ESOS-2016, the MD has been given 5,33,077 options on April 22nd, 2016. The options will be vested in graded manner over the period of 4 years from the date of grant. No option has vested in FY2016-17.

II. Remuneration to other directors

I) Independent Directors							
	Name of Directors						
Particulars of remuneration	Mr. R Chandra-sekaran	Mr. Tejinder Singh Laschar	Mr. P. K. Gupta	Mr. Shital Kumar Jain	Dr. Gourav Vallabh	Mr. Nilesh S Vikamsey	Total Amount
Fee for attending Board/ Committee Meetings	8,90,000	4,10,000	1,10,000	12,10,000	7,10,000	7,20,000	40,50,000
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	8,90,000	4,10,000	1,10,000	12,10,000	7,10,000	7,20,000	40,50,000

II) Other Non-executive directors (Paid to PNB for its nominee directors)		
Fee for attending Board/ Committee Meetings	9,20,000	9,20,000
Commission	-	-
Others	-	-
Total (ii)	9,20,000	9,20,000
Total (B)=(i)+(ii)	49,70,000	49,70,000
Total Managerial Remuneration		**2,26,32,621**
Overall Ceiling as per Act		**88,44,00,000**

III. Remuneration to key Managerial Personnel other than MD

Sr. No.	Particulars of remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary a) Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	35,48,049	54,56,081	90,04,130
	b) Value of perquisites under section 17(2) of the Income tax Act, 1961	8,254	31,850	40,104
	c) 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	16,78,455	25,94,000	42,72,455
	Total	**52,34,758**	**80,81,931**	**1,33,16,689**

* In terms of ESOS-2016, the CFO has been given 1,85,054 options and the Company Secretary has been given 61,685 options on April 22nd, 2016. The options will be vested in graded manner over the period of 4 years from the date of grant. No option has vested in FY2016-17.

7. Penalties /Punishment /Compounding of offences

Nil

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fee	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Preeti Pahwa & Associates

Company Secretaries

Date: 10th May, 2017

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

We have been appointed as Secretarial Auditor of the Company for conducting Secretarial Audit as per the provision of Companies Act 2013 for Financial Year 2016-17. We would like to inform that our report dated May 10th, 2017, in this regard is to be read along with this letter.

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

For **Preeti Pahwa & Associates**

Preeti Pahwa
Practicing Company Secretary
Certificate of Practice No.: 8263
Membership No.: F-5846

Secretarial Audit Report For The Financial Year Ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year commencing from April 1st, 2016 till March 31, 2017, complied with the statutory provisions listed hereunder, wherever and to the extent applicable, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records (except the provisional or unaudited financial statements for the above mentioned period) maintained by the Company for the above said financial year ended on March 31, 2017, according to the provisions of:

Corporate Laws

(i) The Companies Act, 2013 (the Act) and the rules made there under

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment and External Commercial Borrowings

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :

a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable); and

i The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable)

We have also examined the applicable compliances with the applicable clauses of the following:

(i) The Listing Agreement, entered into by the Company with the National Stock Exchange ("Stock Exchange") with respect to Non Convertible Debentures listed on the Stock Exchange.

(ii) The Listing Agreement, entered into by the Company with the National Stock Exchange and Bombay Stock Exchange ("Stock Exchanges") with respect to Equity Shares listed on the Stock Exchange.

(iii) The Secretarial Standards I and II, as issued by the Institute of Company Secretaries of India.

(iv) The Memorandum and Articles of Association of the Company.

We further report that we have also examined the requisite compliances of the following laws as specifically applicable on the Company:

i. National Housing Bank Act, 1987

ii. The Housing Finance Companies (NHB) Directions, 2010.

iii. National Housing Bank Policy Circulars, including miscellaneous circulars.

iv. NHB Notifications and Guidelines.

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

Corporate Laws

1. As per Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is required to have at least half of the Board of Directors as Independent Directors. However, after the resignation of Mr. Tejinder Singh Laschar from the board w.e.f. January 12th, 2017, the total composition of independent Directors on the Board was reduced below the required number. The replacement was required to be made within a period of 3 months, but such appointment is yet to be made.

We further report that subject to above mentioned, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Companies Act, 2013

We further report that adequate notices were given to all the Directors to schedule the Board Meetings. Agendas and detailed notes on agenda were sent 7 days in advance or at shorter notice subject to the compliances under the Companies Act, 2013 and the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that the resolutions were passed at all the meetings by the requisite majority and there were no instances of the dissent which were required to be captured and recorded as part of the minutes.

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

Other Key Corporate Actions

We further report that the following key corporate actions were held during the period under review:

(I Issuance of unsecured and secured non convertible debentures aggregating to ₹ 5,381 crores on private placement basis.

(ii) The Board of the Company during the year raised capital through Initial Public Offer for an amount of ₹ 3,000 crores.

For **Preeti Pahwa & Associates**

Preeti Pahwa
Practicing Company Secretary
Certificate of Practice No. 8263
Membership No. F-5846

Place: Gurgaon

Date: May 10th, 2017

Report of the Directors on Corporate Governance

Good corporate governance is the core of Company's philosophy. The Company believes in maximizing its shareholders' value while ensuring transparency and fairness towards all its stakeholders who are its valued customers, business partners, investors, human capital and very importantly the government and the society. Being in the service industry, the Company not only believes but practices ethical standards in all its dealings.

In India, the Securities and Exchange Board of India has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) which has come into effect from December 1st, 2015, however, even prior to the listing of the equity shares on November 7th, 2016, the Company had sustained and long term relationship with its valued depositors, business partners and its financers. The Company has always maintained principles of transparency and adequacy in all the public disclosures through its Annual Reports, financial results and other public documents. This is also reflected in the stupendous growth the Company has achieved over the years.

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

The Company has complied with the applicable provisions of the Listing Regulations. Following is the Board's report on corporate governance.

Board of Directors

The Board is overall responsible to oversee the Company management and to protect the long-term interests of the stakeholders.

Composition

As on March 31, 2017, the Board consists of nine members of which four are independent directors, four non-executive directors including the Chairperson and one Managing Director. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the LODR and the provisions of Section 149(6) of the Companies Act, 2013. None of the directors are related to each other.

All the directors are having wide range of knowledge and are from diverse fields such as banking, finance, investment, information technology and accounting. Their brief profiles are given in the annual report. The composition of the board is in conformity with Regulation 17 of the LODR and Section 149 of the Companies Act, 2013. During the financial year, two new independent directors; Mr. Nilesh S Vikamsey and Dr Gourav Vallabh Sharma were appointed.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies as per Regulation 26 of LODR is given hereunder:

Sr. No.	Directors	Category	DIN	Number of Directorships	Number of Committees*	
					Member	Chairperson
1	Mrs. Usha Ananthasubramanian	Non-Executive Director	02784580	5	1	1
2	Dr Ram S Sangapure	Non-Executive Director	03297417	2	2	-
3	Mr. Sunil Kaul	Non-Executive Director	05102910	1	-	-
4	Mr. Devinjit Singh	Non-Executive Director	02275778	3	2	1
5	Mr. Shital Kumar Jain	Independent Director	00047474	3	3	2
6	Mr. Nilesh S Vikamsey	Independent Director	00031213	9	8	1
7	Mr. R Chandrasekeran	Independent Director	00580842	1	1	-
8	Dr Gourav Vallabh	Independent Director	02972748	1	1	1
9	Mr. Sanjaya Gupta	Managing Director	02939128	2	2	1

*Audit Committee and Stakeholders Relationship Committee.

Responsibilities

The Board of Directors is responsible for the long-term value of the shareholders, to protect the interest of all other stakeholders and to provide guidance to the management with strategic direction. The Board is responsible for the long term strategic planning and direction of the Company. The Board functions through its various committees, who have been assigned various roles and responsibilities and these committees closely monitor the performance of the Company.

The Board regularly reviews Company's overall performance at regular interval. The Board has a formal schedule of matters reserved for its consideration and decision, apart from legally required matters.

Role of Independent Directors

Company's independent directors are persons of eminence from diverse fields in finance, accountancy, credit and information technology. They play an important role on the Board and on the various committees of the Board. They provide key inputs to the Board and help the Board in arriving at decisions on matters of strategic importance.

The independent directors ensure that all the matters brought to Board and its committees are adequately discussed and decisions are arrived at in the best interest of the Company. An independent director has been nominated as the chairperson on all the major committees, namely Audit, Nomination and Remuneration, Credit, Risk Management and Corporate Social Responsibility committees. The Audit Committee consist entirely of independent directors.

All the committees of the Board function within the defined terms of reference in accordance with the Companies Act, 2013 and the LODR and as per roles approved by the board.

Appointment of Independent Directors

All the independent directors have been appointed for a period of five years. Mr. Shital Kumar Jain was appointed on August 14th, 2014, Mr. R Chandrasekaran was appointed on October 7th, 2015, Mr. Nilesh S Vikamsey and Dr Gourav Vallabh were appointed on April 22nd, 2016 by the shareholders in the AGM and EGM. The independent directors are not liable to retire by rotation.

A formal letter of appointment was issued to the independent directors in terms of the provisions of the Companies Act, 2013. A copy of the letter detailing the terms and conditions of appointment of the independent directors has been placed on the Company's website, www.pnbhousing.com.

Familiarisation Program

The main objective of a familiarisation Program is to ensure that the non-executive directors are updated on the business and regulatory environment and the overall operations of the Company to make informed decisions in everybody's interest. All the independent directors have been taken through familiarization Program about the Company, its business environment, competitors, Company's portfolio etc.

The Company has a policy on familiarisation Program for the independent directors, which is placed on the website of the Company.

Board Meetings

The meetings of the Board of Directors are normally held at PNB's Head Office at New Delhi. Board meetings are generally scheduled well in advance and the notice of each Board meeting is given through electronic mode to each director. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company.

The Company Secretary in consultation with the Managing Director prepares the detailed agenda for the meetings. The detailed Board agenda is circulated to the directors well in advance. The members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. Senior management is invited to attend the Board meetings to provide additional inputs to the items being discussed by the Board. The minutes of each Board/Committee meeting are finalised and recorded in the minute book.

During the year under review, the Board had met ten times. The meetings were held on May 12th, 2016, June 30th, 2016, August 3rd, 2016, October 4th, 2016, October 15th, 2016, November, 1st, 2016, November 15th, 2016, January 24th, 2017, March 17th, 2017 and March 18th, 2017. The attendance of the directors at the Board meetings and the 28th Annual General Meeting held on August 3rd, 2016 are listed below:

Directors	Board Meetings	Attendance at the 28th AGM	Sitting fee paid
Mrs. Usha Ananthasubramanian- Chairperson	10	yes	5,00,000*
Dr. Ram S Sangapure	6	No	3,00,000*
Mr. Sunil Kaul	8	yes	-
Mr. Devinjit Singh	10	yes	-
Mr. Shital Kumar Jain	8	yes	4,00,000
Mr. R Chandrasekaran	10	yes	5,00,000
Mr. Nilesh S Vikamsey	8	yes	4,00,000
Dr. Gourav Vallabh	10	yes	5,00,000
Mr. Sanjaya Gupta, Managing Director	10	yes	-

The directors who had resigned during the year; Mr. Tejinder Singh Laschar had attended 7 meetings and Mr. Pavan Kumar Gupta had attended 1 meeting of the Board. Leave of absence was granted to directors who could not attend the Board meeting.

**The sitting fees of INR 50,000/- for attending each Board meeting was paid to the non-executive directors. The sitting fee of Mrs. Usha Ananthasubramanian and Dr Ram S Sangapure was paid to the Punjab National Bank.*

Committees of the Board

The Board has delegated powers to various Committees for more focused attention on the affairs of the Company. Each of the Board's Committee has been delegated with specific responsibilities/ matters as per the provisions of the Companies Act, 2013, LODR and as per the business requirements. The various committees, their roles and their members are given below;

These Committees are; Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Credit Committee, Stakeholders Relationship Committee and Risk Management Committee. The Board had constituted an IPO Committee to take decisions on IPO related matters, which has been dissolved post the IPO.

Audit Committee

The Audit Committee has all independent directors; Dr. Gourav Vallabh, Chairman, Mr. Nilesh S Vikamsey and Mr. R Chandrasekaran.

- The Charter for the Audit Committee is as per section 177 of the Companies Act, 2013 and LODR. The main role of the Audit Committee is;
- The Audit Committee assist the Board in fulfilling its oversight responsibilities for the financial reporting process to regulatory authorities, public, oversees the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.
- It reviews quarterly, half year yearly and yearly financial statements as prepared by the Company before submission to the Board.
- It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- It approves related party transaction.
- It reviews the functioning of whistle blower mechanism.
- It recommends the appointment of statutory and internal auditor.

The Audit Committee invites members of senior management as it considers appropriate to be present at the meetings of the Committee. The statutory auditors also attend the meeting of the Audit Committee.

During the year, the Audit Committee has met six times on May 11th, June 30th, August 3rd, October 4th, November 15th, 2016 and January 24th, 2017. The details of attendance at the Audit Committee meetings are as under;

Directors	Number of meetings attended	Sitting fee
Dr. Gourav Vallabh	5	1,50,000
Mr. R Chandrasekaran	5	1,50,000
Mr. Nilesh S Vikamsey	5	1,50,000
Mr. P K Gupta	1	30,000
Mr. Tejinder Singh Laschar	1	30,000
Mr. Sunil kaul	1	-

The directors who had resigned during the year; Mr. Tejinder Singh Laschar and Mr. Pavan Kumar Gupta had attended 1 meeting each of the Audit Committee. Mr. Sunil Kaul ceased to be a member after May 11th, 2016.

Nomination and Remuneration Committee (NRC)

The NRC has four directors; Mr. Shital Kumar Jain, Chairman, Mr. Nilesh S Vikamsey, Dr. Ram S Sangapure and Mr. Sunil Kaul. The committee has been delegated powers, role and responsibilities as required under section 178 the Companies Act, 2013 and as per LODR.

The NRC formulate criteria for determining qualifications, positive attributes and independence of a director. It recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employees. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The annual compensation package of the Managing Director is recommended by the NRC to the Board. The NRC approves compensation package of all the functional heads.

During the year, the NRC has met four times on July 18th, August 3rd, 2016, January 9th and March 18th, 2017. The details of attendance at the NRC meetings are as under;

Directors	Number of meetings attended	Sitting fee
Mr. Shital Kumar Jain	4	1,20,000
Dr. Ram S Sangapure	0	-
Mr. Sunil Kaul	4	-
Mr. Nilesh S Vikamsey	3	90,000

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

Corporate Social Responsibility Committee (CSR)

The CSR Committee has four directors; Mr. R Chandrasekaran, Chairman, Dr. Ram S Sangapure, Mr. Sunil Kaul and Mr. Sanjaya Gupta. It is tasked with overseeing Corporate Social Responsibilities of the Company and approve CSR project wise budget. The Board has approved Charter for CSR activities.

It also oversees the functioning of Executive Committee of Management.

During the year, the CSR Committee has met three times on July 18th, 2016, January 24th and March 18th, 2017. The details of attendance at the CSR meetings are as under;

Directors	Number of meetings attended	Sitting fee
Mr. R. Chandrasekaran	2	60,000
Dr. Ram S Sangapure	0	-
Mr. Sunil Kaul	3	-
Mr. Sanjaya Gupta	3	-

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

Credit Committee (CCB)

It comprises of three directors; Mr. Shital Kumar Jain, Chairman, Mr. Devinjit Singh and Mr. Sanjaya Gupta. The Committee sanctions, reviews and monitors credit as per the power delegated by the Board. It formulates credit policy parameters for loans to various segments, review the feedback mechanism to policy to improve and to maximize risk/return matrix. The CCB reviews the credit performance and collection effectiveness of the portfolio. The CCB sanctions credit proposals as per delegated powers by the Board.

During the year, the CCB had met seventeen times on April 26th, May 9th, May 27th, June 16th, July 4th, July 26th, August 19th, September 21st, November 3rd, November 29th, December 8th, December 14th, December 29th, 2016, January 25th, February 23rd, March 14th, and March 29th 2017. The details of attendance at the CCB meetings are as under;

Directors	Number of meetings attended	Sitting fee
Mr. Shital Kumar Jain	17	5,10,000
Mr. Devinjit Singh	16	-
Mr. Sanjaya Gupta	17	-

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

Stakeholders Relationship Committee

It comprises of three directors; Mr. Devinjit Singh, Chairman Dr. Ram S Sangapure and Mr. Sanjaya Gupta. The Committee has met one time during the year on March 18th, 2017. The meeting was attended by Mr. Devinjit Singh and Mr. Sanjaya Gupta.

Risk Management Committee

It comprises of four directors; Dr. Gourav Vallabh, Chairman, Mr. Shital Kumar Jain, Mr. Sunil Kaul and Mr. Sanjaya Gupta. The Committee has been entrusted with review of various types of risks associated with the business of the Company, the procedures adopted to assess the risks, and various mitigation measures.

The Committee has met one time during the year on November 15th, 2016. The meeting was attended by Dr. Gourav Vallabh, Chairman, Mr. Shital Kumar Jain, Mr. Sunil Kaul and Mr. Sanjaya Gupta. A sitting fee of ₹ 30,000 each was paid to Dr. Gaurav Vallabh and Mr. Shital Kumar Jain.

Meeting of independent directors

The independent directors have met on May 12th, 2017 without the presence of non-independent directors. The independent directors have evaluated the performance of Chairperson of the Board, non-independent directors and of the Board during the year and quality of board performance, timeliness of flow of information with the Board. A sitting fee of ₹ 30,000 each was paid to all the independent directors.

Remuneration of Directors

Non-Executive Directors

The remuneration for non-executive directors consists of sitting fees. During the year under review, the sitting fees payable to independent directors and PNB nominated non-executive directors for attending meetings of the Board of Directors of the Company was INR 50,000 per board meeting. The sitting fees for attending the meetings of committees of Board of Directors and the meeting of independent directors was INR 30,000 per meeting.

Managing Director

The Managing Director of the Company has been appointed for 5 years with effect from May 05th, 2015. The remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board. The key objective of the remuneration is to ensure that it is aligned to the overall performance of the Company. The remuneration package of the Managing Director comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. The Board in terms of authority delegated by the shareholders in the EGM held on October 7th, 2015 has approved the remuneration of the Managing Director.

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

Board evaluation

This Board's evaluation process has been adopted by the Company in terms of the Companies Act, 2013 and the recent circular issued by the SEBI. It applies to all the Directors of the Company. Its main objectives are to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess the balance of skills, knowledge and experience on the Board.

The Board evaluation process involve, evaluation of the whole Board, which is to be done by all the Members of the Board; evaluation of the Committees of the Board, which is to be done by all the Members of the Board; and evaluation of the individual directors which is carried out by the Nomination and Remuneration Committee.

The Board Evaluation Process is a questionnaire based assessment, which has set broad parameters for evaluation of the Board, Committees of the Board and Board Members. The NRC takes feedback from the directors through structured questionnaires.

The independent directors review the performance of the non-executive directors, the Chairman and the whole Board.

Investor Grievances

In accordance with the LODR, the Board of Directors have appointed Mr. Sanjay Jain, Company Secretary, as the Compliance Officer of the Company.

During the year, 895 complaints were received from the investors. These complaints are related to initial allotment or non-allotment of shares such as Non-receipt of refund, Non-receipt of shares etc. These complaints have been closed in the prescribed time.

Subsidiary Companies

There is no subsidiary company of the Company.

Employee Stock Option Scheme (ESOS)

The disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company.

Proceeds from IPO

During the year under review, the Company has raised ₹ 3,000 crores from the IPO. The proceeds from the IPO were used for augmenting capital base of the Company to meet future capital requirements and for general corporate purposes in terms of Prospectus dated November 1st, 2016.

Proceeds from Private Placement of debt issues

During the year under review, the Company has issued eight series of non-convertible debentures amounting to ₹ 5,381 crores. Details of these issues are provided in the Directors' Report. As specified in the respective offer documents, the funds were utilised for on lending.

Transactions with Non-Executive Directors

The non-executive directors of the Company do not have any pecuniary relationship or transactions with the Company.

Shareholding of Directors

Except the Managing Director, there are no shares held by the other directors. The details are disclosed in MGT-9 form.

Prevention of Insider Trading

The Board has approved a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Share Dealing Code for Prevention of Insider Trading in terms of SEBI (Prevention of Insider Trading) Regulations, 2015.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to designated employees and directors of the Company.

Code of Conduct

The Board has laid down a Code of Conduct for all the Board members and designated employees of the Company. The Code of Conduct is posted on the website of the Company. For the year under review, all directors and members of management have affirmed their adherence to the provisions of the Code.

Vigil Mechanism / Whistle Blower Policy

The Board has approved the vigil mechanism/whistle blower policy of the Company, which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise concern about serious irregularities within the Company. The Audit Committee oversees the vigil mechanism and employees have access to the Audit Committee. The policy is placed on the website of the Company.

Risk Management

The Company has a Risk Management Committee to frame, implement, monitor, review risk management policy. The Company monitors, review and manage various types of risks such as business risk, credit risk, market risk, financial risk and reputation risk.

The "Integrated Risk Management" (IRM) policy of the Company provides broad direction to all activities associated with integrated risk management including credit, market and operational risk management and other risks. The objectives of this policy are; communicate the commitment to risk management to assist in achieving Company's strategic and operational goals and objectives; formalize and communicate a systematic approach to managing risk for all activities and establish a reporting protocol; ensure that all significant risks are identified, assessed, managed and reported to the Board in a timely manner through its Risk Management Committee;

develop a "risk aware" culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions; assign accountability to all employees for the management of risks within their areas of control; provide a commitment to make risk management a core management capability; and implement an integrated view of managing all risk factors considering correlation and multi-collinearity in various types of risks.

The purpose of ALM Policy is to define the Asset-Liability Management for the Company in accordance with the Regulatory Directions. The ALM framework serves the objectives of Liquidity Management, Management of Interest Rate Risk and other objectives.

In the opinion of the Board, none of the risks faced by the Company threaten its existence.

General Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statement are sent to the shareholders at the addresses registered with the Company along with a Postal Ballot Form and a postage pre-paid envelope containing the address of the scrutinizer appointed by the Board for carrying out the Postal Ballot process;
- The Postal Ballot Forms received within 30 days of despatch are considered by the Scrutinizer;
- The Scrutinizer submits his report to the Chairman/ Co-Chairman of the Company, who based on the report announces the results; and
- e-voting facility is provided to the shareholders. Under this facility, the shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

Disclosures

Related party transactions

The policy on Related Party Transactions as approved by the Board is available on the Company's website. There were no material transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large.

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 the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA).

Management Discussion and Analysis Report

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

Annual General Meetings

The Annual General Meetings for the last 3 years were held on August 8th, 2014 at 05.00 p.m., August 26th, 2015 at 03.30 p.m. and August 3rd, 2016 at 04.30 p.m. The AGMs were held at PNB House, Board Room, 7 Bhikaiji Cama Place, New Delhi. Three special resolutions were passed at the previous three Annual General Meetings. No resolution was passed using postal ballots. No special resolution is proposed to be passed at this AGM through postal ballot.

Dematerialisation of shares

All the shares of the Company are available for trading with National Securities Depository Ltd. (NSDL) and with Central Depository Services (India) Limited (CDSL). The ISIN allotted to Company's equity shares is INE572E01012. As at March 31, 2017, all the equity shares of the Company are held in dematerialized form.

The Company has paid the listing fees for the year 2017-18 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

The equity shares of the Company were listed with effect from November 7th, 2016. The Company has 1,01,015 shareholders as on March 31, 2017. The main source of information for the shareholders is the

Annual Report that includes, the Directors' Report, the shareholders' information and the audited financial results. The Annual Report has information on Report of Directors on Corporate Governance and Management Discussion and Analysis Report. Shareholders are intimated through the press, email and Company's website, www.pnbhousing.com about the quarterly performance and financial results of the Company. Shareholders will get an opportunity to attend the Annual General Meeting where the business outlook will be presented and Company's operations can be discussed. In addition, the Corporate Office as well as the Registrar's Office (RTA), serves as a contact point for shareholders.

Since listing, along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre" and on NSE website under "NSE Electronic Application Processing System (NEAPS)". Post listing, the presentation on quarterly results and performance of the Company is placed on the website of the Company and furnished to stock exchanges for the benefit of the investors.

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing agreement with the stock exchanges and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/Depository participant. Accordingly, the annual report for FY2016-17, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on 'Shareholders' Information' which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015.

The Board has appointed Mr. Jayesh Jain, CFO as Chief Investor Relation Officer of the Company.

Certification of Financial Reporting and Internal Controls/(CEO/CFO certificate)

In accordance with SEBI (LODR) Regulations, 2015, Mr. Sanjaya Gupta, the Managing Director and Mr. Jayesh Jain, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

Non-mandatory requirements

The Company is moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

Compliance

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

Strictures and Penalties

During the year, no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets.

Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

I confirm that for the year under review directors and senior management have affirmed compliance with the code of conduct of Board of Directors and senior management.

New Delhi
May 12th, 2017

Managing Director

Extracts from Policy on Related Party Transactions

The Audit Committee of the Board is entrusted with the task of reviewing and approving transactions with Related Parties or any subsequent modifications thereof, the Audit Committee shall be the reviewing authority with respect to this Policy and shall recommend amendments thereof for approval of the Board.

The Executive Management of the Company comprising Managing Director/whole Time Director shall have the authority, to issue guidance and clarifications as may be deemed necessary for the implementation of this Policy. They are also authorized to delegate such powers as may be considered necessary and appropriate for effective administration and enforcement of this Policy to any officer(s) of the Company.

I Arm's Length Transaction

"Arm's length transaction" mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

ii) Associate Company

"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

For the purposes of this term 'Associate Company', "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

Related Party Disclosures (AS 18) notified by the Companies (Accounting Standards) Rules, 2006, defines an associate to mean an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party.

"Significant influence" means the participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

iii) Compliance Officer

Means the Company Secretary of the Company.

iv) Related Party

Related Party with reference to a company means -

(i) a director or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, manager or his relative is a partner;

(iv) a private company in which a director or manager or his relative is a member or director;

(v) a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;

(vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is;

i. a holding, subsidiary or an associate company of such company; or

ii. a subsidiary of a holding company to which it is also a subsidiary;

(ix) such other person as may be prescribed;

Control -

a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or

b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or

c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

v) Related Party Transaction:

The following are illustrations of "transactions":

(i) purchases or sales of goods (finished or unfinished);

(ii) purchases or sales of property and other assets;

(iii) rendering or receiving of services;

(iv) leasing of property of any kind or hire purchase arrangements;

(v) transfer of research and development;

(vi) license agreements;

(vii) finance arrangements (including loans and equity contributions in cash or in kind);

(viii) guarantees and collaterals; and

(ix) agency arrangements, management contracts including for deputation of employees.

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions for the purpose of this Policy:

i. Any transaction that involves providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

ii. Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.

iii. Any transaction in which the Related Party's interest arises solely by way of ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party, or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.

v. Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.

vi) Material Related Party Transaction

Where the aggregate value of transactions entered, or likely to be entered into, with a related party; during the current financial year, is likely to exceed 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

All Related Party Transactions are subject to following approval matrix.

A. Transactions in the ordinary course of business and on arm's length basis

Ceiling on Amount	Approval Required		
	Audit Committee	Board of directors	Shareholders (Ordinary Resolution)
Up to 10% of the annual turnover of the company	✓	-	-
In excess of above limits	✓	✓	(All related parties to abstain from voting.)

B. Transactions either not in the ordinary course of business or arm 's length basis

Nature of Transaction	Approval Required		
	Audit Committee	Board of directors	Shareholders (Ordinary Resolution)
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	✓	✓	Exceeding 10% of the turnover or ₹ 100 crores, whichever is lower **Note:** Related Parties that are parties to the contract shall abstain from voting.
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	✓	✓	Exceeding 10% of the net worth or ₹ 100 crores, whichever is lower **Note:** Related Parties that are parties to the contract shall abstain from voting.

Nature of Transaction	Approval Required		
	Audit Committee	Board of directors	Shareholders (Ordinary Resolution)
Leasing of property of any kind.	✓	✓	Exceeding 10% of the turnover or 10% of the net worth, or ₹ 100 crores whichever is lower **Note:** Related Parties that are parties to the contract shall abstain from voting.
Availing or rendering of any services, directly or through appointment of agent.	✓	✓	Exceeding 10% of the turnover or ₹ 100 crores, whichever is lower **Note:** Related Parties that are parties to the contract shall abstain from voting.
Appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company.	✓	✓	Monthly remuneration exceeding two and half lakh rupees. **Note:** Related Parties that are parties to the contract shall abstain from voting.
underwriting the subscription of any securities or derivatives thereof, of the Company:	✓	✓	Remuneration exceeding 1% of net worth **Note:** Related Parties that are parties to the contract shall abstain from voting.
any other transaction with related parties, other than those covered above, resulting in transfer of resources, obligations or services	✓	✓	Exceeding 10% of the annual consolidated turnover of the Corporation **Note:** All related parties to abstain from voting.

Independent Auditors' Certificate on Corporate Governance

To the members of PNB Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by PNB Housing Finance Limited ("the Company") for the year ended on 31st March, 2017, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

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

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

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017

General Shareholder Information

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

29th Annual General Meeting

Date : Wednesday, August 2nd, 2017

Time : 3.00 p.m.

Venue : "The Stein Auditorium" Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003

Financial Year

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

Dividend Payment

The Board of Directors of Company has declared a dividend of ₹ 6 per share in its Meeting held on May 12th, 2017.

The Company will pay its dividend within 30 days of its approval in the Shareholder's Meeting. The Record Date for payment of dividend is mentioned in the notice convening the AGM.

Listing on Stock Exchange

The Equity Shares of the Company were listed on November 7th, 2017 on below mentioned Stock Exchanges.

Stock Exchange	National Stock Exchange (NSE)	BSE Limited (BSE)
Address	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
Telephone number	+91 22 2659 8100/114	+91 22 2272 1233/34
Website	www.nseindia.com	www.bseindia.com
Scrip Code	PNBHOUSING	540173

The NCDs of the Company are listed on the National Stock Exchange.

The Company confirms payment of Annual Listing fees of NSE and BSE for the financial year 2017-18.

Share Price Data

The monthly high and low share price traded on NSE and BSE are as under:

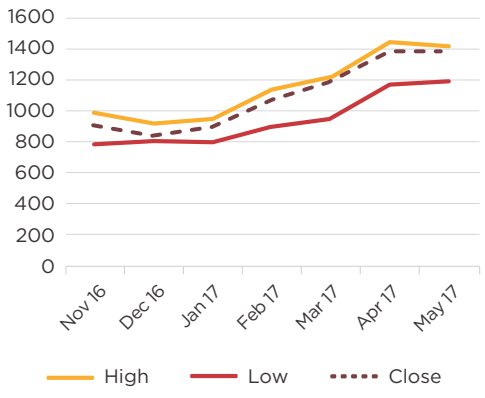
Prices in ₹/Share

Month	NSE		BSE	
	High	Low	High	Low
Nov-16	987.90	791.75	990.00	789.25
Dec-16	920.00	807.05	919.90	805.80
Jan-17	949.70	800.20	947.85	799.75
Feb-17	1,139.30	900.35	1,138.00	897.35
Mar-17	1,215.95	955.00	1,230.60	960.00
April-17	1,444.95	1,171.00	1,443.50	1,172.05
May-17	1,418.50	1,192.55	1,419.90	1,006.00

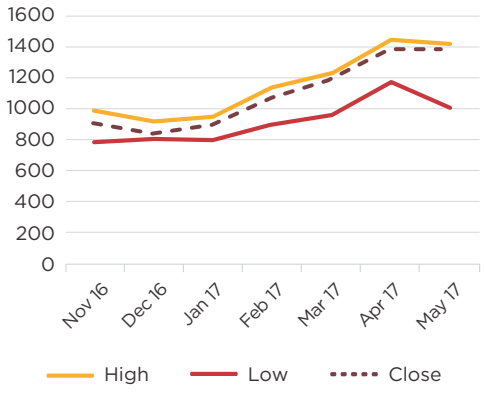
The data source for the table given above is www.nseindia.com for NSE quotes and www.bseindia.com for BSE quotes.

The monthly share performance along with closing price is as below:

PNB Housing on NSE



PNB Housing on BSE



Performance of the Company in comparison to broad base indices

Chart base to 100

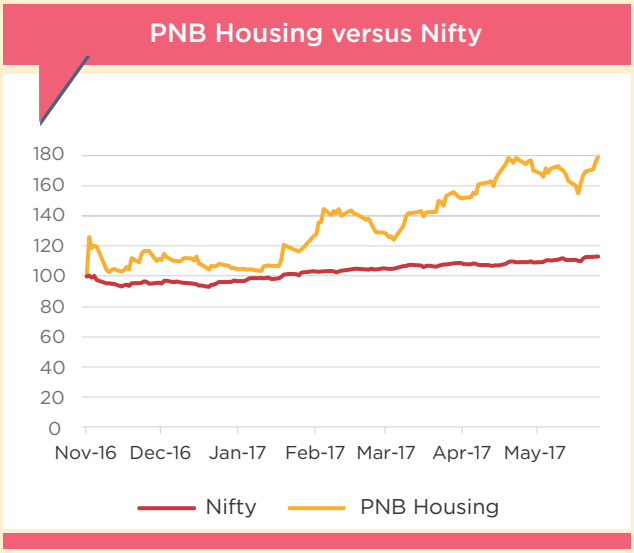
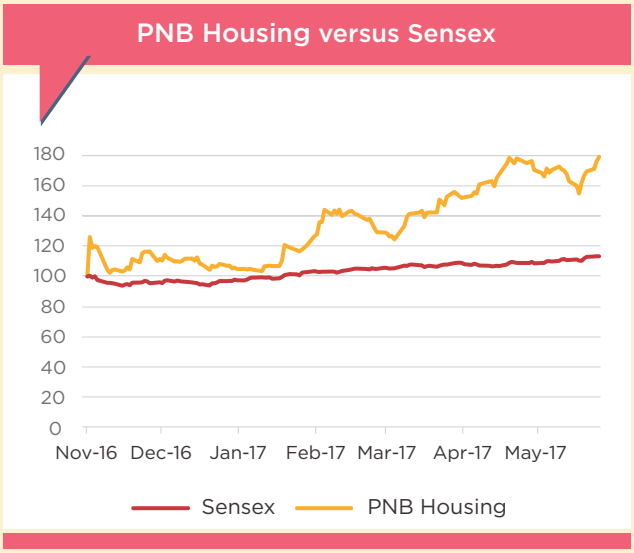


Chart base to 100



PNB Housing base price is normalised at IPO issue price of ₹ 775 per share.

Data Source: www.nseindia.com and www.bseindia.com.

Registrar and Transfer Agents

Link Intime India Private Limited is the Registrar and Transfer Agents for the Equity and Debt securities of the Company. Their contact details are as below:

Link Intime India Pvt. Ltd
C 101, 247 Park, L.B.S.Marg, Vikhroli (West),
Mumbai – 400083

Share Transfer System

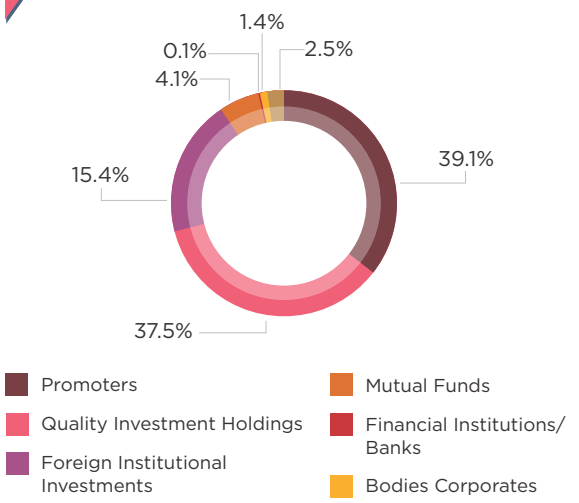
All the equity shares of the Company are held in Dematerialized form. The shares are electronically traded in the Depository. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records.

Distribution of Shareholding as on March 31, 2017

SR. NO.	SHAREHOLDING OF NOMINAL VALUE (INR)			NO. OF SHARE HOLDERS	% OF TOTAL	SHARE AMOUNT (INR)	% OF TOTAL SHARE AMOUNT
1	1	to	5000	100062	99.0566	23822260.00	1.44
2	5001	to	10000	328	0.3247	2453600.00	0.15
3	10001	to	20000	229	0.2267	3282180.00	0.20
4	20001	to	30000	100	0.0990	2562750.00	0.15
5	30001	to	40000	41	0.0406	1427280.00	0.09
6	40001	to	50000	38	0.0376	1734280.00	0.10
7	50001	to	100000	67	0.0663	4698680.00	0.28
8	100001	to	**********	150	0.1485	1616442060.00	97.59
Total			**101015**	**100.0000**	**1656423090.00**	**100.00**	

Face Value ₹ **10** NSDL Data as of : **March 31, 2017** CDSL Data as of : **March 31, 2017**

Shareholding pattern as on 31st March 2017



Dematerialization of shares and liquidity

The Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading with both the depositories i.e. NSDL and CDSL.

The Company has obtained half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from a Company Secretary in practice and has filed the copy of the certificate with the Stock Exchanges.

Outstanding Convertible Investments

An aggregate of 38,07,690 Employees Stock options were granted to the employees on April 22nd, 2016 under ESOS-2016. These options, upon exercise, are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

Pursuant to ESOS -2016, the Stakeholder Relationship Committee had allotted 9,44,173 shares on May 11th, 2017. Consequently, the Share Capital of the Company has increased by ₹ 94.42 lacs.

Commodity Price risk or foreign exchange risk and hedging activities

During FY2016-17, the Company has managed the foreign exchange risk by hedging the entire principal on its foreign currency borrowings. The foreign currency risk on the borrowings has been actively hedged through a combination of principal only swaps, coupon only swap and / or cross currency swaps.

Plant Locations

PNB Housing Finance Limited is engaged in providing housing loans. There is no plant location as such.

Address for Correspondence

Registered and Head Office:

9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
Near Connaught Place, New Delhi 110001
Phone Number : 1800 120 8800
Email Address: loans@pnbhousing.com

Independent Auditors' Report

To the members of PNB Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNB Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We refer to Note 3.2 to the financial statements, which describes the accounting treatment used by the Company in creating the Deferred Tax Liability on Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 as at April 1, 2014, which is in accordance with the National Housing Bank's Circular No. NHB (ND)/DRS/Pol. Circular No. 65/2014 dated August 22, 2014.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'II'.
   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
      I The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28(i) to the financial statements;
      ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
      iii. The Company has generally been regular in depositing the amounts required to be transferred to the Investor Education and Protection Fund, though there have been a slight delays in a few cases.
      iv. Company has provided requisite disclosures in its financial statements in Note 34 as to holdings as well as dealings in Specified Bank Notes during the period 8 November 2016 to 30 December 2016 and the same are in accordance with the books of accounts maintained by the company.

3. During the current financial year, the Company has issued fresh shares through an Initial Public Offer (IPO) due to which shareholding of Punjab National Bank has reduced from 51% to 39.08%. As a result, the Company no longer falls within the definition of a Government Company as defined in The Companies Act, 2013. Further, we have not received any directions from the Comptroller and Auditor General of India stipulated under section 143(5) of The Companies Act, 2013. Hence, no additional statement is being attached to this report.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017

Annexure 'I' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

1) In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

   (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company

2) The provisions of paragraph (ii) of the order are not applicable to the Company, as the Company is engaged in the financial services sector.

3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2016-17, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.

4) As informed, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.

5) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, provisions of section 73 to 76 and other relevant provisions of the Act, the Companies (Acceptance of Deposit) Rules, 2014 to the extent applicable, and The Housing Finance Companies (NHB) Directions, 2010, with regard to acceptance of deposits from the public. No order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or by any other court or tribunal with regard to such deposits.

6) Since the Company is engaged in the financial services sector, provisions of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable.

   (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess not deposited by the Company are as follows :

Name of the statute	Nature of the dues	Amount under dispute (₹ in crores)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income tax Act, 1961	Income tax	1.96	2013-14	CIT(A)
Income tax Act, 1961	Income tax	0.43	2012-13	CIT(A)
Income tax Act, 1961	Income tax	0.43	2011-12	ITAT
Income tax Act, 1961	Income tax	0.32	2010-11	ITAT
Income tax Act, 1961	Income tax	14.98	2009-10	ITAT
Income tax Act, 1961	Income tax	0.53	2008-09	ITAT
Income tax Act, 1961	Income tax	0.40	2007-08	ITAT
Income tax Act, 1961	Income tax	0.76	2006-07	ITAT
Income tax Act, 1961	Income tax	0.52	2005-06	ITAT
Total		20.33		

8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.

9) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer and term loans during the year for the purpose for which they were obtained.

10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context and size of the Company and the nature of its business and which have been provided for.

11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.

15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him.

16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017

Annexure 'II' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PNB Housing Finance Limited ("the Company") as of March 31st, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017

Balance Sheet as at March 31st, 2017

(₹ in crores)

	Note	As at March 31st, 2017	As at March 31st, 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	165.64	126.92
Reserves and Surplus	3	5,411.67	2,018.98
		5,577.31	**2,145.90**
Non-Current Liabilities			
Long-Term Borrowings	4	24,083.96	16,646.22
Deferred Tax Liabilities (Net)	5	46.86	30.47
Other Long-Term Liabilities	6	103.90	100.79
Long-Term Provisions	7	242.45	160.93
		24,477.17	**16,938.41**
Current Liabilities			
Short-Term Borrowings	8	7,947.41	7,448.41
Trade Payables	9	93.56	75.24
Other Current Liabilities	10	4,836.06	2,991.87
Short-Term Provisions	7	28.04	71.12
		12,905.07	**10,586.64**
TOTAL		**42,959.55**	**29,670.95**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	47.77	48.15
Intangible Assets	11	10.63	9.96
Capital Work-in-Progress		2.03	4.05
Non-Current Investments	12	961.35	782.10
Long-Term Loans And Advances	13	36,443.79	25,623.56
Other Non-Current Assets	14	278.43	188.01
		37,744.00	**26,655.83**
Current Assets			
Current Investments	15	2,318.21	840.17
Cash and Bank Balances	16	151.47	248.54
Short-Term Loans and Advances	17	39.94	18.01
Other Current Assets	18	2,705.93	1,908.40
		5,215.55	**3,015.12**
TOTAL		**42,959.55**	**29,670.95**

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

In terms of our report of even date
For B.R. Maheswari and Co. LLP
Chartered Accountants

For and on behalf of the Board

Sudhir Maheshwari
Partner
M No : 081075
FR No : 001035N/N500050

Sanjaya Gupta
Managing Director
DIN: 02939128

Sunil Mehta
Chairman
DIN: 07430460

Dr. Gourav Vallabh
Director
DIN: 02972748

Place: New Delhi
Date: May 12, 2017

Sunil Kaul
Director
DIN: 05102910

Jayesh Jain
Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642

Statement of Profit and Loss for the year ended March 31st, 2017

(₹ in crores)

	Note	Current year	Previous year
INCOME			
Revenue from Operations	19	3,907.70	2,697.92
Other Income		0.15	0.75
TOTAL REVENUE		**3,907.85**	**2,698.67**
EXPENSES			
Finance Cost	20	2,643.65	1,860.29
Employee Benefit Expense	21	101.26	75.28
Office Operating Expenses	22	74.95	56.43
Other Expenses	23	162.44	105.33
Depreciation & Amortisation	11	18.63	15.04
Provisions and Contingencies	24.14	97.53	80.66
Bad Debts Written-off		5.38	2.55
TOTAL EXPENSES		**3,103.84**	**2,195.58**
PROFIT BEFORE TAX		**804.01**	**503.09**
Less: Provision for Taxation -Current Tax		264.00	165.98
-Earlier years		-	1.35
-Deferred Tax (Net)		16.28	9.29
PROFIT AFTER TAX		**523.73**	**326.47**
Earnings Per Share (Face Value of ₹ 10/- per Share)	26		
-Basic (in ₹)		36.72	27.48
-Diluted (in ₹)		36.15	27.48

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date

For B.R. Maheswari and Co. LLP
Chartered Accountants

For and on behalf of the Board

Sudhir Maheshwari
Partner
M No : 081075
FR No : 001035N/N500050

Sanjaya Gupta
Managing Director
DIN: 02939128

Sunil Mehta
Chairman
DIN: 07430460

Dr. Gourav Vallabh
Director
DIN: 02972748

Place: New Delhi
Date: May 12, 2017

Sunil Kaul
Director
DIN: 05102910

Jayesh Jain
Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642

Cash Flow Statement for the year ended March 31st, 2017 (Indirect Method)

(₹ in crores)

	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	804.01	503.09
Adjustment for non-cash items, to be disclosed separately		
Add: Depreciation and Amortisation	18.63	15.04
Loss/(Profit) on sale of fixed assets	(0.01)	0.12
Provisions and Contingencies	97.53	80.66
Bad Debts Written-off	5.38	2.55
	121.53	98.37
Operating Profits before Changes in Working Capital	**925.54**	**601.46**
Adjustment for Changes in Working Capital and Provisions		
Increase/ (Decrease) in Trade Payables	18.32	17.50
Increase/ (Decrease) in Long-Term Provision	3.03	2.39
Increase/ (Decrease) in Short-Term Provision	0.43	0.08
Increase/ (Decrease) in Other Current Liabilities	251.14	499.96
Increase/ (Decrease) in Other Long-Term Liabilities	49.44	(97.73)
(Increase)/ Decrease in Long-Term Loans & advances	(10,825.61)	(11,243.94)
(Increase)/ Decrease in Short-Term Loans & advances	(14.01)	0.30
(Increase)/ Decrease in Other Non-Current Assets	(70.26)	(64.82)
(Increase)/ Decrease in Other Current Assets	(808.50)	659.80
Investments (Net)	(1,660.27)	(38.42)
(Increase)/ Decrease in Other Bank Balances	(3.79)	164.39
	(13,060.08)	(10,100.48)
Cash Generated from Operations	**(12,134.54)**	**(9,499.02)**
Taxes Paid (net of refunds)	(271.93)	(165.44)
A. NET CASH USED IN OPERATING ACTIVITIES	**(12,406.47)**	**(9,664.46)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16.94)	(19.71)
Sale of Fixed Assets	0.06	0.07
	(16.88)	(19.64)
B. NET CASH USED IN INVESTING ACTIVITIES	**(16.88)**	**(19.64)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Bonds	5,381.00	5,015.00
Banks	3,100.08	-
Deposits (net)	2,851.40	5,774.35
Commercial paper	14,295.00	15,825.00
Repayment of borrowings		
Commercial paper	(14,950.00)	(12,400.00)
Bonds	(190.00)	(100.00)

(₹ in crores)

	Current Year	Previous Year
Banks	(1,015.77)	(4,581.44)
Proceeds from issue of Share Capital	38.72	23.08
Share Premium Received	2,961.28	276.92
Share Premium Utilised	(100.61)	-
Dividend paid (including dividend distribution tax)	(48.61)	(29.01)
C. NET CASH FROM IN FINANCING ACTIVITIES	**12,322.49**	**9,803.90**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(100.86)	119.79
Cash or Cash equivalents (Opening Balance)	166.71	46.92
Cash or Cash equivalents (Closing Balance)	65.85	166.71
NET INCREASE / (DECREASE) OF CASH & CASH EQUIVALENTS DURING THE YEAR	(100.86)	119.79

NOTE : Figures in bracket denotes application of cash

In terms of our report of even date
For B.R. Maheswari and Co. LLP
Chartered Accountants

Sudhir Maheshwari
Partner
M No : 081075
FR No : 001035N/N500050

Place: New Delhi
Date: May 12, 2017

For and on behalf of the Board

Sanjaya Gupta
Managing Director
DIN: 02939128

Sunil Mehta
Chairman
DIN: 07430460

Dr. Gourav Vallabh
Director
DIN: 02972748

Sunil Kaul
Director
DIN: 05102910

Jayesh Jain
Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31st, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL METHOD AND SYSTEM OF ACCOUNTING

1.1.1 The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of the Company (Accounts Rules 2014) and the relevant provisions of the Companies Act, 2013, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time, unless stated otherwise hereinafter. Accounting Standards (AS) and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the NHB Directions, 2010.

1.1.2 Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

1.1.3 The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

1.1.4 The Company has adopted the accrual concept in the preparation of the financial statements. The Balance Sheet and the Statement of Profit and Loss of the Company are prepared in accordance with the provisions contained in Section 129 of the Companies Act, 2013, read with Schedule III.

1.1.5 Amounts in the financial statements are presented in "crores", except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

1.2 INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

1.3 OPERATING CYCLE

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for classification of its assets and liabilities as current and non-current.

1.4 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.5 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash-on-hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

1.6 REVENUE RECOGNITION

1.6.1 Interest income on Loans is recognised on accrual basis except in case of non-performing assets where interest is accounted on realisation. Interest on loans is computed either on an annual rest, on a monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Certain customers request for commencement of regular principal repayments even before the entire loan is disbursed, especially when the projects are of long gestation. Pending commencement of EMIs, Pre-EMI interest is charged every month. Interest on loans purchased through direct assignment is recognised on accrual basis.

1.6.2 Interest income on Investment is recognized on accrual basis. Dividend income is recognised when the right to receive is established. The gain / loss on account of long-term Investment at discount / premium in Debentures / Bonds and Government Securities, is amortised over the life of the security on a pro-rata basis.

1.6.3 The gain/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on Sale of investment is determined after consideration of cost on a weighted average basis.

1.6.4 Income from login fee, other charges and penal interest on defaults, pre-payment charges etc. is recognised on receipt basis. Processing Fee on loans is recognised over the average tenure of the loan. The average tenure of loan has been arrived at based on the experience of repayment behaviour of the borrowers.

1.6.5 Income from servicing of securitised/assigned portfolio and renting of space in our offices and website is recognised on accrual basis.

1.6.6 Other income and interest on tax refunds are accounted for on receipt basis.

1.7 TANGIBLE ASSETS

Tangible Assets are capitalised at cost including all expenses incidental to the acquisition/ installation.

1.8 INTANGIBLE ASSETS

Intangibles Assets are recognised where it is possible that the future economic benefit attributable to the asset will flow to the Company and its cost can be reliably measured. Intangibles are capitalised at cost including all expenses attributable for bringing the same in its working condition.

1.9 DEPRECIATION / AMORTISATION

Tangible Assets

Depreciation on Tangible Assets is provided on the Straight Line Method as per the useful life prescribed in Part C of Schedule II of the Companies Act, 2013 on pro-rata basis, except the following category of asset, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. on which different useful lives for depreciation have been charged:

a) Networking Equipment and Mobile phone instruments are depreciated over a period of five and three years respectively.

b) Leasehold Improvements are depreciated over a period of five years.

c) Assets costing up to ₹ 5,000/- is fully depreciated in the year of purchase.

Intangible Assets

Intangible Assets are amortised over a period of five years except website development costs which are amortised over a period of three years.

1.10 INVESTMENTS

Investments are capitalised at cost inclusive of brokerage and stamp charges. Investments are classified as Non-Current Investment (long-term investments) and current investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standard on 'Accounting for Investments' (AS-13).

1.11 EMPLOYEE BENEFITS

1.11.1 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.11.2 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

1.11.3 Defined Contribution Plan

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

1.11.4 Defined Benefit Plan

The Company has defined benefit plans as Leave Encashment/Compensated Absences and gratuity for all eligible employees, the liability for which is determined based on an actuarial valuation at the end of the year using the 'Projected Unit Credit Method'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable.

1.11.5 Employees Stock Options Scheme

The Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides for the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost, if any, is amortised over the vesting period.

1.12 BORROWING COSTS

1.12.1 Interest on borrowings are recognised as an expense in the period in which they are incurred.

1.12.2 Ancillary cost in connection with long-term borrowing are amortised to the Statement of Profit and Loss over the tenure of the borrowing.

1.12.3 Brokerage and incentive on deposits is amortised over the period of the deposit.

1.12.4 All other borrowing costs are charged to the Statement of Profit and Loss.

1.13 TRANSACTION INVOLVING FOREIGN EXCHANGE

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are converted at the rate of exchange prevailing on the date of financial statements.

In case of a forward exchange contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract in line with Accounting Standard on 'Accounting for the Effects of Changes in Foreign Exchange Rates' (AS-11) issued by the Institute of Chartered Accountants of India.

1.14 DERIVATIVE TRANSACTIONS

The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are revalued at their fair market value, on that date. Profit/Losses, on revaluation, are recognised in the Statement of Profit and Loss. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses for the period. Premium / discount on derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the Balance Sheet date.

1.15 SHARE ISSUE EXPENSES

Share issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

1.16 OPERATING LEASES

Leases where the lessor effectively retains substantially all the risk and the benefits of ownership over the leased term are classified as operating leases. Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss as per terms of lease agreement.

1.17 EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing, dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

1.18 TAXES ON INCOME

Taxes on Income are accounted for in accordance with Accounting Standard "Accounting for taxes on income" (AS 22), issued by The Institute of Chartered Accountants of India. Income tax comprises both current and deferred tax.

Current tax is measured based on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Such deferred tax is quantified using the tax rates and laws enacted of substantively enacted as on Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

Deferred tax assets arising on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

1.19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

ii) Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.

iii) Contingent Assets are neither recognised nor disclosed in the financial statements.

1.20 PROVISION FOR STANDARD ASSETS, NON-PERFORMING ASSETS (NPAs) AND CONTINGENCIES

The Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the instalments are overdue for more than ninety days are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines.

The Company also has a policy to create and carry a provision over and above the provisioning requirements as prescribed in NHB Directions for Standard Assets and NPAs, under the Provision for Contingencies Account. The provision under this head is made with regards to loan accounts and other credit exposure which are classified as standard assets on the balance sheet date, however these were classified as NPA in the last 12 months / payments in these loan accounts have not been regular / loan accounts where customers have reported slow progress of construction of the underlying dwelling unit.

1.21 STOCK OF ACQUIRED PROPERTIES

The assets acquired by the Company under SARFAESI Act, 2002 are classified as 'Stock of Acquired Properties' and are valued at outstanding dues or net realisable value, whichever is lower.

1.22 LOAN ORIGINATION / ACQUISITION COST

All direct costs incurred for the loan origination are amortised over the average tenure of the loan. The average tenure of loan has been arrived, based on the experience of repayment behaviour of the borrowers.

1.23 UNCLAIMED DEPOSITS

Deposits, which have become due but have not been presented for payment or renewal, are transferred to unclaimed deposits. Interest for the period from last maturity date till the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

1.24 IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.25 SECURITISATION OF LOANS

Securitised and assigned assets are de-recognised in the books of the Company based on the principle of transfer of ownership over the assets.

Transfer of pool of loan assets under the current RBI guidelines involve transfer of proportionate shares in the pool of loan assets. Such transfers result in de-recognition only of that proportion of the loan assets which meets the de-recognition criteria. The portion retained by the Company continue to be accounted for as loan assets as described above.

On de-recognition, the difference between the book value of the securitised loan assets and consideration received is recognised as gain arising on securitisation in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

2. SHARE CAPITAL

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Authorised Share Capital		
50,00,00,000 Equity Shares of ₹ 10/- each (Previous year 15,00,00,000 Equity Shares)	500.00	150.00
Equity Share Capital		
Issued, Subscribed and Paid-up Capital		
16,56,42,309 Equity Shares of ₹ 10/- each fully Paid up (Previous year 12,69,23,000 Equity Shares of ₹ 10/- each)	165.64	126.92
	165.64	**126.92**

2.1 RECONCILIATION OF NUMBER OF SHARES

	As at March 31st, 2017		As at March 31st, 2016	
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Equity Shares				
At the beginning of the year	12,69,23,000	126.92	12,69,23,000	103.85
Issued during the year	3,87,19,309	38.72	-	23.07
Outstanding at the end of the year	**16,56,42,309**	**165.64**	**12,69,23,000**	**126.92**

2.2 During the year, the Company has raised capital of ₹ 3,000 crores through Initial Public Offer (IPO) by issuing 3,87,19,309 Equity Shares of ₹ 10/- each.

2.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of Shareholder	As at March 31st, 2017		As at March 31st, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
i) Punjab National Bank	6,47,30,700	39.08%	6,47,30,700	51.00%
ii) Destimoney Enterprises Limited*	-	-	6,21,92,300	49.00%
iii) Quality Investments Holdings*	6,21,92,300	37.55%	-	-
iv) General Atlantic Singapore FII Pte Limited	1,14,24,537	6.90%	-	-

* During the financial year ended March 31st, 2017, Destimoney Enterprises Limited transferred 6,21,92,300 equity shares to its holding company Quality Investments Hodlings pursuant to in-specie distribution of its assets as per winding-up scheme.

2.4 TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each Shareholder is entitled to one vote per Equity Share held.

2.5 RIGHTS ISSUE OF EQUITY SHARES

During the financial year ended March 31st, 2016, the Company has called third and final call of ₹ 3/- alongwith proportionate premium of ₹ 36/- per share on 7,69,23,000 Equity Shares and was fully received.

2.6 ISSUE OF BONUS SHARES

During the financial year ended March 31st, 2013, the Company had issued 64,70,589 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares after capitalisation of General Reserves of ₹ 6.47 crores to shareholders in proportion of their shareholding.

Apart from the issue of bonus shares as mentioned above, the Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

2.7 SHARES RESERVED FOR ISSUE UNDER ESOP

i) The Nomination and Remuneration Committee of Directors (NRC) at its meeting held on March 18th, 2016 had recommended the grant of 41,88,459 stock options, under ESOP-16, to the eligible employees and Managing Director. At the Extra Ordinary General Meeting (EGM) held on 22nd April, 2016, the shareholders had approved the issue of 41,88,459 stock options representing 41,88,459 equity shares of ₹ 10/- each to the eligible employees and Managing Director of the Company.

Out of 41,88,459 stock options, 38,07,690 stock options have been granted on April 22, 2016 representing 38,07,690 equity shares of ₹ 10/- each under PNB Housing Finance Limited of "Employee Stock Options (ESOPs) Policy 2015-16 (ESOP-2016)", to the eligible employees and Managing Director. In terms of ESOP-2016, the options would vest over a period of 4 years from the date of grant. The options can be exercised over a period of three years from the date of respective vesting. Accordingly, no options have vested during the current year.

ii) Method used for accounting for Share based payment plan: Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOP-2016 is ₹ Nil, since the market price of underlying share at the grant date was same as the excercise price and consequently, the accounting value of the option (compensation cost) is ₹ Nil.

iii) Movement in stock options ESOP-2016 plan is as follows:

Particulars	ESOP-2016
Options outstanding at the beginning of the year	-
Options not vested at the beginning of the year	-
Options granted during the year	3,807,690
Options vested during the year	-
Options exercised during the year	-
Options lapsed during the year	25,000
Options vested but not exercised at end of the year	-
Options not vested at end of the year	3,782,690
Options exercisable at the end of the year	3,782,690
Weighted Average Exercise Price per option (₹)	338

iv) Black-Scholes Model have been used to derive the estimated value of stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes Model is as follows:

Particulars	ESOP-2016
Estimated Value of Stock Option (₹)	111.71
Share Price at Grant Date (₹)	338
Exercise Price (₹)	338
Expected Volatility (%)	0.4065
Dividend Yield Rate (%)	1.24
Expected Life of Options (year)	3
Risk Free Rate of Interest (%)	7.23

v) Had the compensation cost for the stock options granted under ESOP - 2016 been determined on fair value approach, Company's Profit After Tax and earnings per share would have been as per the pro-forma amounts indicated below :

(₹ in crores)

Particulars	31-Mar-17
Adjusted Profit After Tax as reported	523.73
Less :Amortisation of Compensation Cost (pro-forma)	17.95
Profit considered for computing EPS (pro-forma)	505.78
Earnings Per Share - Basic (₹)	
-as reported	36.72
-pro-forma	35.45
Earnings Per Share - Diluted (₹)	
-as reported	36.15
-pro-forma	34.90

3. RESERVES AND SURPLUS

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Special Reserve		
Created under Section 36(1) (viii) of the Income Tax Act,1961		
Opening Balance	239.76	181.36
Add: Transferred from the Statement of Profit and Loss	95.00	58.40
	334.76	**239.76**
Statutory Reserve		
As per Section 29 C of National Housing Bank Act, 1987		
Opening Balance	30.24	23.34
Add: Transferred from the Statement of Profit and Loss	10.60	6.90
	40.84	**30.24**
General Reserve		
Opening Balance	427.87	392.13
Add: Transferred from the Statement of Profit and Loss	52.39	48.97
Less: Utilised for creating Deferred Tax Liability on Special Reserve	26.00	13.23
	454.26	**427.87**
Securities Premium Account		
Opening Balance	1,045.86	768.94
Add: Premium on issue of equity shares	2,961.28	276.92
Less: Share Issue Expenses [Net of Tax of ₹ 25.88 crores (Previous Year ₹ Nil)]	74.72	-
	3,932.42	**1,045.86**
Cash Flow Hedge Reserve		
Opening Balance	-	-
Add:- Created during the year	8.40	-
Less:- Utilised during the year	-	-
Closing Balance	**8.40**	-
Surplus in the Statement of Profit and Loss		
Opening Balance	275.25	111.66
Profit for the year	523.73	326.47
Amount Available for Appropriation	**798.98**	**438.13**
Appropriations		
-Special Reserve	95.00	58.40
-Statutory Reserve (U/s. 29C of the NHB Act)	10.60	6.90
-General Reserve	52.39	48.97
-Proposed Dividend	-	40.39
-Dividend Distribution Tax	-	8.22
Net Surplus in the Statement of Profit and Loss	**640.99**	**275.25**
	5,411.67	**2,018.98**

3.1 As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 95.00 crores (Previous year ₹ 58.40 crores) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

3.2 Vide circular NHB (ND)/DRS/Policy Circular 65 / 2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. As per the above circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the free reserves over a period of 3 years starting with financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has adjusted the balance in General Reserves as at April 01, 2016 by ₹ 26.00 crores (Previous year ₹ 13.23 crores) with respect to third and final tranche of deferred tax liability on Special Reserve balance as at April 01, 2014.

The Company has charged its Statement of Profit and Loss for the year ended March 31st, 2017 by ₹ 31.01 crores (Previous year ₹ 20.40 crores) with the deferred tax liability on an additional amount appropriated towards Special Reserve out of current year's profit. This amount is reflected under the head "Tax Expenses".

3.3 The Company has transferred an amount of ₹ 10.60 crores (Previous year ₹ 6.90 crores) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

3.4 "Ministry of Corporate Affairs amended the Companies (Accounting Standards) Rules, 2006 on March 30th, 2016 and vide its General Circular No 4/2016 dated 27.04.2016 has clarified that Companies (Accounting Standards) Amendment Rules, 2016 would be applicable for preparation of accounts for accounting periods commencing on or after the date of notification, i.e. w.e.f. from FY16-17.

According to this amendment, the proposed dividend shall not be recognised as liability until approved by the Shareholders. In terms of this amendment, the dividend for financial year of ₹ 6/- per equity share of ₹ 10/- each, as proposed by the Board of Directors, has not been recognised as liability in annual accounts for FY17. If the dividend proposed is approved by the shareholders, the outflow for dividend will be ₹ 99.39 crores and dividend tax will be ₹ 20.23 crores. The same will be recognised as liability on approval of shareholders in the ensuing Annual General Meeting.

On account of this change, the accounting policy followed for recognising the proposed dividend for current financial year and previous financial year are different and hence financial statements for these two years are not comparable, to that extent. "

4. LONG-TERM BORROWINGS

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Secured Borrowings				
Term Loans				
National Housing Bank	2,481.06	1,826.40	267.34	252.45
Banks	150.00	586.84	436.85	572.62
External Commercial Borrowing	1,461.46	610.70	50.09	-
Redeemable Non-Convertible Debentures	11,972.00	8,580.00	1,200.00	190.00
	16,064.52	**11,603.94**	**1,954.28**	**1,015.07**
Unsecured Borrowings				
Redeemable Non-Convertible Subordinated Debentures	1,399.00	610.00	-	-
Deposits	6,620.44	4,432.28	1,511.49	903.98
	8,019.44	**5,042.28**	**1,511.49**	**903.98**
Current Maturity of Long-Term Borrowings disclosed under the head "Other Current Liabilities" (Note 10)	-	-	(3,465.77)	(1,919.05)
	24,083.96	**16,646.22**	**-**	**-**

4.1 REFINANCE FROM NATIONAL HOUSING BANK (NHB) AND TERM LOANS FROM BANKS:

Nature of Security

a) Refinance from National Housing Bank (NHB) and Term Loans from Banks other than Punjab National Bank are secured by hypothecation of specific loans/ book debts against which Refinance/ Term Loan has been availed.

b) Term Loan from Punjab National Bank are secured by hypothecation of book debts and negative lien on properties charged to the Company against loans disbursed.

Maturity Profile of Term Loans from National Housing Bank :

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
6.00% - 8.00%	53.55	124.68	116.23	368.24	662.70
	(9.97)	(13.29)	(8.46)	-	(31.72)
8.01% - 10.00%	213.79	551.85	549.10	770.96	2,085.70
	(179.37)	(239.16)	(460.08)	(1,168.52)	(2,047.13)
Total	**267.34**	**676.53**	**665.33**	**1,139.20**	**2,748.40**
	(189.34)	(252.45)	(468.54)	(1,168.52)	(2,078.85)

(Previous year figures are in bracket)

Maturity Profile of Term Loans from Banks :

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
8.50% - 9.00%	124.68	-	-	-	124.68
	-	-	-	-	-
9.25% - 11.00%	312.17	150.00	-	-	462.17
	(572.62)	(536.84)	(50.00)	-	(1,159.46)
Total	**436.85**	**150.00**	**-**	**-**	**586.85**
	(572.62)	(536.84)	(50.00)	-	(1,159.46)

(Previous year figures are in bracket)

4.2 EXTERNAL COMMERCIAL BORROWING

i) The Company has availed External Commercial Borrowing of USD 100 million in FY15 and USD 150 million in FY17 for financing prospective buyers of low cost affordable housing units under "approval route" in terms of the RBI guidelines dated December 17, 2012. This facility is secured against eligible affordable housing loans. In terms of the RBI guidelines, these borrowings have been swapped into rupees for the entire tenure by way of principal only swaps and interest payable (fixed coupon) have been swapped into Rupees for the loan tenure by way of interest only swaps. The Company, in terms of the RBI guidelines, is required to keep these swap agreement for entire tenure of the borrowing.

ii) Consequent to the Guidance Note on Accounting for Derivative Contracts (the "GN") issued by the Institute of Chartered Accountants of India, becoming effective from April 1, 2016, the Company has changed its accounting policy relating to derivative contracts. On and from that date, all derivative contracts are recognised in the balance sheet and measured at fair value. The fair value changes are recognised in the Statement of Profit and Loss unless hedge accounting is used. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on

the hedged item. There is no material impact on the results of the Company for the year, as a result of change in this accounting policy.

iii) As on March 31st, 2017, the Company has outstanding foreign currency borrowings of USD 233.13 million equivalent (Previous year USD 100 million). The Company has currency swap contracts on a outstanding notional amount of USD 233.13 million equivalent (Previous year USD 100 million) to hedge the foreign currency risk. Further, interest rate swaps (fixed coupon only) on a notional amount of USD 233.13 million equivalent (Previous year USD 100 million) are outstanding, which have been undertaken to hedge the foreign currency risk arising out of interest payment on the said External Commercial Borrowing.

Maturity Profile of External Commercial Borrowings:

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
USD LIBOR +170 -200 bps	50.09	744.19	192.08	525.19	1,511.55
	-	-	(610.70)	-	(610.70)

(Previous year figures are in bracket)

4.3 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Nature of Security

Redeemable Non-Convertible Debentures are secured by hypothecation of book debts to the extent of 1.10 to 1.25 times of outstanding amount. In addition, all the Redeemable Non-Convertible Debentures are also secured by mortgage of buildings of ₹ 0.77 Crore (Refer Note 11)

Term of Repayment

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
7.01% - 8.00%	-	800.00	1,275.00	-	2,075.00
	-	-	-	-	-
8.01% - 9.00%	300.00	2,783.00	4,664.00	800.00	8,547.00
	(100.00)	(300.00)	(4,430.00)	(1,300.00)	(6,130.00)
9.01% - 10.00%	900.00	360.00	460.00	830.00	2,550.00
	(90.00)	(1,230.00)	(60.00)	(1,260.00)	(2,640.00)
Total	**1,200.00**	**3,943.00**	**6,399.00**	**1,630.00**	**13,172.00**
	(190.00)	(1,530.00)	(4,490.00)	(2,560.00)	(8,770.00)

(Previous year figures are in bracket)

4.4 UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 1,399.00 crores (Previous year ₹ 610.00 crores) are subordinated debt to present and future senior indebtedness of the Company and qualify as Tier II Capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31st, 2017, 100% (Previous year 100%) of the book value of Subordinate debt is considered as Tier II capital.

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
8.00% - 9.00%	-	-	-	1,199.00	1,199.00
	-	-	-	(410.00)	(410.00)
9.01% - 10.00%	-	-	-	200.00	200.00
	-	-	-	(200.00)	(200.00)
Total	**-**	**-**	**-**	**1,399.00**	**1,399.00**
	-	-	-	(610.00)	(610.00)

(Previous year figures are in bracket)

4.5 DEPOSITS

Deposit includes Public Deposits as defined in Paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987. As on March 31st, 2017, the public deposits outstanding amounts to ₹ 8,526.42 crores (Previous year ₹ 5,431.25 crores).

The Company is carrying Statutory Liquid Assets amounting to ₹ 961.55 crores (Previous year ₹ 895.79 crores) comprising of Investment of ₹ 961.55 crores (Previous year ₹ 813.96 crores) and Fixed Deposits of ₹ Nil (Previous year ₹ 81.83 crores).

5. DEFERRED TAX LIABILITIES (NET)

In accordance with Accounting Standard on 'Accounting for Taxes on Income' (AS 22), the Company is accounting for Deferred Tax. The break-up of deferred tax assets / liabilities are as follows:

(₹ in crores)

Particulars	As at March 31st, 2017	As at March 31st, 2016
Deferred Tax Liabilities		
Expenses Paid in Advance (Net of Income Received in Advance)	54.37	39.07
Depreciation on Fixed Assets	0.03	1.13
Special Reserve (Refer Note 3.2)	113.98	56.97
Total Deferred Tax Liabilities- (A)	**168.38**	**97.17**
Deferred Tax Assets		
Provision for Employees Benefits	3.55	2.35
Provision for Doubtful Debts and contingencies	95.17	62.45
Others	22.80	1.90
Total Deferred Tax Assets - (B)	**121.52**	**66.70**
Deferred Tax Liabilities (Net) (A-B)	**46.86**	**30.47**

6. OTHER LONG-TERM LIABILITIES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Interest Accrued but not Due on Borrowings	14.86	36.74	144.87	108.46
Income Received in Advance	89.04	64.05	32.48	22.56
Amount disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	(177.35)	(131.02)
	103.90	**100.79**	**-**	**-**

7. PROVISIONS

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Provision for Employees Benefits	9.00	5.97	1.26	0.83
Provision for Standard Assets (As per NHB norms)	193.97	130.46	-	-
Provision for NPAs (As per NHB norms)	-	-	26.78	21.68
Provision for Contingencies	39.48	24.50	-	-
Proposed Dividend (Refer Note 3.4)	-	-	-	40.39
Tax on Proposed Dividend (Refer Note 3.4)	-	-	-	8.22
	242.45	160.93	28.04	71.12

8. SHORT-TERM BORROWINGS

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Secured Borrowings		
Bank Overdraft	1,881.98	783.71
Unsecured Borrowings		
Deposits	1,695.43	1,639.70
Commercial Paper	4,370.00	5,025.00
	6,065.43	**6,664.70**
	7,947.41	**7,448.41**

9. TRADE PAYABLES

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Sundry Creditors for Expenses	93.56	75.24
	93.56	**75.24**

9.1 Trade Payables ₹ Nil (Previous Year ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the "Suppliers" covered under the Micro, Small and Medium Enterprise Development Act, 2006.

10. OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Current Maturity of Long-Term Borrowings (Refer Note 4)	3,465.77	1,919.05
Current Portion of Other Long-Term Liabilities (Refer Note 6)	177.35	131.02
Interest Accrued but not Due on Borrowings	10.68	14.23
Book Overdraft	777.74	706.00
Statutory Dues Payable	22.32	21.97
Other Liabilities	382.20	199.60
	4,836.06	**2,991.87**

11. FIXED ASSETS

(₹ in crores)

Description	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
	As at March 31st, 2016	Additions	Deductions	**As at March 31st, 2017**	As at March 31st, 2016	For the year	Deductions/ Adjustments	**As at March 31st, 2017**	**As at March 31st, 2017**	As at March 31st, 2016
Tangible:										
Buildings*	1.09	-	-	1.09	0.22	0.02	-	0.24	0.85	0.87
Furniture & Fixtures	12.56	2.81	-	15.37	2.33	1.31	-	3.64	11.73	10.23
Vehicles	0.06	0.11	0.06	0.11	0.05	0.01	0.05	0.01	0.10	0.02
Computers	16.93	2.67	-	19.60	7.44	4.62	-	12.06	7.54	9.49
Office Equipment & Others	15.86	4.19	0.15	19.90	5.92	3.64	0.11	9.45	10.45	9.94
Leasehold Improvements	27.01	5.76	-	32.77	9.40	6.27	-	15.67	17.10	17.60
Subtotal	**73.51**	**15.54**	**0.21**	**88.84**	**25.36**	**15.87**	**0.16**	**41.07**	**47.77**	**48.15**
Intangible:										
Software	12.04	3.42	-	15.46	2.08	2.75	-	4.83	10.63	9.96
Grand Total	**85.55**	**18.96**	**0.21**	**104.30**	**27.44**	**18.62**	**0.16**	**45.90**	**58.40**	**58.11**
Previous Year	52.20	33.76	0.41	85.55	12.62	15.04	0.23	27.44	58.11	

* Includes Buildings of ₹ 0.77 crores (Previous year ₹ 0.77 crores) mortgaged for securing Secured Redeemable Non-Convertible Debentures (Refer Note 4.3).

12. NON-CURRENT INVESTMENTS

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2017 (₹ in crores)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2016 (₹ in crores)
Investments in Government Securities						
Government of India Stock						
10.03% Government of India Stock 2019	7,000	100	0.08	7,000	100	0.08
10.25% Government of India Stock 2021	10,05,000	100	12.61	10,05,000	100	12.61
8.30% Government of India Stock 2023	30,000	100	0.31	30,000	100	0.31
8.97% Government of India Stock 2030	50,000	100	0.57	50,000	100	0.57
8.33% Government of India Stock 2036	26,000	100	0.28	26,000	100	0.28
8.32% Government of India Stock 2032	25,000	100	0.27	25,000	100	0.27
8.28% Government of India Stock 2032	19,000	100	0.20	19,000	100	0.20
8.26% Government of India Stock 2027	10,000	100	0.11	10,000	100	0.11
8.15% Government of India Stock 2022	14,000	100	0.15	14,000	100	0.15
8.13% Government of India Stock 2022	10,000	100	0.10	10,000	100	0.10
8.08% Government of India Stock 2022	15,000	100	0.16	15,000	100	0.16
7.94% Government of India Stock 2021	7,900	100	0.08	7,900	100	0.08
7.50% Government of India Stock 2034	18,000	100	0.18	18,000	100	0.18
5.69% Government of India Stock 2018	10,000	100	0.09	10,000	100	0.09
10.71% Government of India Stock 2016	-	-	-	8,000	100	0.09
8.07% Government of India Stock 2017	-	-	-	30,05,000	100	31.72
State Development Loans						
10.03% Rajasthan SDL 2028	33,91,000	100	34.98	33,91,000	100	34.98
9.79% Maharashtra SDL 2023	15,00,000	100	15.50	15,00,000	100	15.50
8.88% West Bengal SDL 2026	25,00,000	100	25.21	25,00,000	100	25.21
9.72% Kerala SDL 2023	40,00,000	100	41.53	40,00,000	100	41.53
9.70% Uttarakhand SDL 2024	50,00,000	100	54.32	50,00,000	100	54.32
9.60% Maharashtra SDL 2023	14,00,000	100	14.02	14,00,000	100	14.02
9.50% Himachal Pardesh SDL 2024	20,00,000	100	21.48	20,00,000	100	21.48
9.49% Tamil Nadu SDL 2023	30,00,000	100	30.87	30,00,000	100	30.87
9.48% Haryana SDL 2023	50,00,000	100	53.58	50,00,000	100	53.58
9.37% Gujarat SDL 2023	25,00,000	100	25.42	25,00,000	100	25.42
9.19% Kerala SDL 2024	10,00,000	100	10.06	10,00,000	100	10.06
9.00% Haryana SDL 2024	10,00,000	100	10.51	10,00,000	100	10.51
8.99% Madhya Pradesh SDL 2024	1,00,00,000	100	104.52	1,00,00,000	100	104.52
8.95% Madhya Pradesh SDL 2024	80,00,000	100	83.40	80,00,000	100	83.40
8.93% Haryana SDL 2022	22,200	100	0.24	22,200	100	0.24
8.92% Rajasthan SDL 2022	40,00,000	100	41.52	40,00,000	100	41.52
8.89% West Bengal SDL 2022	25,000	100	0.27	25,000	100	0.27
9.72% West Bengal SDL 2024	30,00,000	100	32.65	30,00,000	100	32.65
8.84% Punjab SDL 2024	30,00,000	100	31.18	30,00,000	100	31.18
8.83% Uttar Pradesh SDL 2026	1,60,00,000	100	166.20	1,35,00,000	100	139.08
8.73% Madhya Pradesh SDL 2022	12,000	100	0.13	12,000	100	0.13

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2017 (₹ in crores)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2016 (₹ in crores)
8.66% Andhra Pradesh SDL 2021	10,000	100	0.11	10,000	100	0.11
8.53% Mahrashtra SDL 2020	25,000	100	0.26	25,000	100	0.26
8.40% Madhya Pradesh SDL 2019	10,000	100	0.10	10,000	100	0.10
8.39% Uttar Pradesh SDL 2020	20,000	100	0.21	20,000	100	0.21
8.25% Rajasthan SDL 2020	30,000	100	0.31	30,000	100	0.31
8.30% Gujarat SDL 2017	10,000	100	0.10	10,000	100	0.10
8.55% Uttar Pradesh SDL 2017	10,000	100	0.10	10,000	100	0.10
9.12% Gujarat SDL 2022	33,55,000	100	35.26	-	-	-
8.90% Maharashtra SDL 2024	10,00,000	100	10.80	-	-	-
8.05% Rajashthan SDL 2025	40,00,000	100	41.27	-	-	-
8.72% Andhra Pardesh SDL 2026	20,00,000	100	21.56	-	-	-
8.51% Maharashtra SDL 2026	45,00,000	100	46.42	-	-	-
7.91% Maharashtra SDL 2016	-	-	-	5,000	100	0.05
			969.28			**818.71**
Less: Current Maturities of Non-Current Investments (Refer Note 15)			(0.20)			(31.86)
			969.08			**786.85**
Less: Provision for loss to arise on						
Redemption of Investments			(7.73)			(4.75)
Aggregate value of investments			**961.35**			**782.10**
Cost of Quoted investments			969.28			818.71
Market Value			1,027.40			843.67

13. LONG-TERM LOANS AND ADVANCES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Loans - Secured				
Housing Loans	25,902.29	18,316.72	1,359.77	799.52
Non-Housing Loans	10,541.50	7,306.84	727.77	754.19
Current maturities of Long-Term Loans & Advances disclosed under the head Current "Other Current Assets" (Refer Note 18)			(2,087.54)	(1,553.71)
	36,443.79	25,623.56	-	-

13.1 Loans and Instalments due from Borrowers shown under Loans and Advances and Other Current Assets respectively are secured wholly or partly by any one or all of the below as applicable:

i) Equitable / Simple / English Mortgage of immovable property;

ii) Mortgage of Development Rights / FSI / any other benefit flowing from the immovable property;

iii) Demand Promissory Note;

iv) Post Dated Cheques towards the repayment of the debt;

v) Personal / Corporate Guarantees;

vi) Hypothecation of rent receivables, cash flow of the project, debt service reserve account, fixed deposit, current and escrow accounts;

vii) Pledge of shares, Security on shares through Non Disposal Undertaking and Power of Attorney, NSCs, other securities

viii) Undertaking to create a security.

14. OTHER LONG-TERM LIABILITIES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Security Deposits	12.66	6.13	-	-
Prepaid Expenses	245.61	181.88	201.85	130.87
Forward Contract Receivable (Net)	11.76	-	-	-
Derivative Assets	8.40	-	-	-
	278.43	188.01	201.85	130.87

15. CURRENT INVESTMENTS

	Number of Bonds/ Units	**Face Value /per Bond**	**As at March 31st, 2017 (₹ in crores)**	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
QUOTED - OTHER THAN TRADE (FULLY PAID)						
Bonds and Debentures						
7.98% Infrastructure Development Finance Company Ltd 2023	250	10,00,000	25.00	350	10,00,000	37.13
9.50% The Jammu & Kashmir Bank Ltd 2022	1,250	10,00,000	125.19	-	-	-
9.14% Bank of Baroda (Perpetual)	500	10,00,000	50.13	-	-	-
9.10% Union Bank of India (Perpetual)	2,000	10,00,000	200.00	-	-	-
9.05% Deewan Housing Finance Corporation Ltd. 2023	2,00,000	1,000	20.19	-	-	-
9.00% Indiabulls Housing Finance Ltd. 2026	2,800	1,000	0.28	-	-	-
8.97% UP Power Corporation Ltd 2021	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2022	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2023	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2024	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2025	420	10,00,000	42.00	-	-	-

	Number of Bonds/ Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
8.97% UP Power Corporation Ltd 2026	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2027	420	10,00,000	42.00	-	-	-
8.25% Reliance Capital Ltd 2020	240	10,00,000	24.00	-	-	-
8.50% Reliance Capital Ltd 2022	310	10,00,000	31.00	-	-	-
7.18% Power Finance Corporation 2027	600	10,00,000	59.28	-	-	-
8.85% Reliance Capital Ltd. 2026	278	10,00,000	27.85	-	-	-
8.70% Indiabulls Housing Finance Ltd. 2019	3,700	1,000	0.37	-	-	-
8.32% Reliance Jio Infocomm Ltd 2021	500	10,00,000	50.88	-	-	-
8.05% Indian Renewable Energy Development Agency Ltd 2027	150	10,00,000	15.00	-	-	-
8.12% Indian Renewable Energy Development Agency Ltd 2027	250	10,00,000	25.00	-	-	-
7.90% Tata Sons Ltd 2020	250	10,00,000	25.03	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2029	150	10,00,000	15.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2030	100	10,00,000	10.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2031	100	10,00,000	10.00	-	-	-
7.37% National Thermal Power Corporation Ltd. 2031	895	10,00,000	89.08	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2027	150	10,00,000	15.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2028	100	10,00,000	10.00	-	-	-
7.18% National Bank of Agriculture and Rural Development 2020	750	10,00,000	75.00	-	-	-
9.95% Food Corporation of India Ltd. 2022	-	-	-	1	10,00,000	0.11
8.80% Food corporation of India Ltd. 2028	-	-	-	138	10,00,000	15.16
8.69% Damodar Valley Corporation Limited 2028	-	-	-	652	10,00,000	71.08
8.50% National Highway Authority of India 2029	-	-	-	1,00,000	1,000	11.15
8.46% Power Finance Corporation 2028	-	-	-	100	10,00,000	11.08
8.40% Indian Railways Finance Corporation 2029	-	-	-	1,00,000	1,000	11.05
8.14% Nuclear Power Corporation Of India 2027	-	-	-	5	10,00,000	0.51
8.14% Nuclear Power Corporation Of India 2028	-	-	-	73	10,00,000	7.48
7.15% National Thermal Power Corporation Ltd. 2025	-	-	-	12	10,00,000	1.22
7.93% Power Grid Corporation of India Ltd. 2017	-	-	-	50	10,00,000	4.98
7.93% Power Grid Corporation of India Ltd. 2018	-	-	-	50	10,00,000	5.00
7.93% Power Grid Corporation of India Ltd. 2019	-	-	-	50	10,00,000	4.99

	Number of Bonds/ Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
7.93% Power Grid Corporation of India Ltd. 2020	-	-	-	50	10,00,000	4.98
7.93% Power Grid Corporation of India Ltd. 2021	-	-	-	50	10,00,000	4.97
7.93% Power Grid Corporation of India Ltd. 2022	-	-	-	50	10,00,000	4.97
7.93% Power Grid Corporation of India Ltd. 2023	-	-	-	50	10,00,000	4.92
7.93% Power Grid Corporation of India Ltd. 2024	-	-	-	50	10,00,000	5.00
7.93% Power Grid Corporation of India Ltd. 2025	-	-	-	40	10,00,000	4.00
7.93% Power Grid Corporation of India Ltd. 2026	-	-	-	45	10,00,000	4.50
7.93% Power Grid Corporation of India Ltd. 2028	-	-	-	41	10,00,000	4.10
7.40% Indian Infrastructure Finance Company Ltd. 2033	-	-	-	5,57,000	1,000	58.32
7.35% Indian Railway Finance Corporation 2031	-	-	-	2,40,000	1,000	24.55
6.89% National Housing Bank 2023	-	-	-	26	10,00,000	2.57
6.87% National Housing Bank 2023	-	-	-	47	10,00,000	4.67
8.58% Housing and Urban Development Corporation Ltd. 2029	-	-	-	95,000	1,000	10.60
UNQUOTED - OTHER THAN TRADE (FULLY PAID)						
Commercial Paper						
JM Financial Products Ltd	5,000	5,00,000	230.73	-	-	-
Mutual Fund - Debt						
LIC Mutual Fund	1,35,674	2,948.24	40.00	-	-	-
Mahindra Mutual Fund	4,75,224	1,052.14	50.00			
Invesco Mutual Fund	2,23,446	2,237.68	50.00	-	-	-
Birla Sunlife Mutual Fund	15,31,185	261.24	40.00	-	-	-
Reliance Mutual Fund	2,90,31,083	51.67	150.00	-	-	-
Baroda Pioneer Mutual Fund	2,13,966	1,869.46	40.00	-	-	-
UTI Mutual Fund	1,87,827	2,662.02	50.00	-	-	-
ICICI Prudential Mutual Fund	17,78,101	224.96	40.00	-	-	-
BOI AXA Mutual Fund	2,13,519	1,873.37	40.00	-	-	-
Kotak Mutual fund	1,49,890	2,668.63	40.00	-	-	-
L & T Mutual Fund	2,24,313	2,229.03	50.00	-	-	-
SBI Mutual Fund	1,56,764	2,551.61	40.00	-	-	-
AXIS Mutual Fund	2,21,886	1,802.73	40.00	-	-	-
Tata Money Mutual Fund	2,01,487	2,481.54	50.00	-	-	-
PNB Principal Mutual fund	3,15,812	1,583.22	50.00	-	-	-
HDFC Mutual Fund	1,17,824	3,394.88	40.00	-	-	-
DSP Mutual Fund	1,72,030	2,325.18	40.00	-	-	-
DHFL Pramerica Mutual Fund	18,93,117	211.29	40.00	-	-	-

	Number of Bonds/ Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
Certificate of Deposit						
Certificate of Deposit of Indian Bank	-	-	-	30,000	1,00,000	295.09
Certificate of Deposit of Corporation Bank	-	-	-	2,500	1,00,000	23.39
Certificate of Deposit of Bank of Maharashtra	-	-	-	5,000	1,00,000	49.15
Certificate of Deposit of Canara Bank	-	-	-	10,000	1,00,000	98.25
Certificate of Deposit of Andhra Bank	-	-	-	2,500	1,00,000	23.33
			2,318.01			**808.31**
Add: Current Maturities of Non-Current Investments (Refer Note 12)			0.20			31.86
Total			**2,318.21**			**840.17**
Aggregate value of quoted investments			1,197.28			319.11
Market Value of quoted investments			1,208.11			321.39
Aggregate value of unquoted investments			1,120.73			489.20

16. CASH AND BANK BALANCES

(₹ in crores)

		As at March 31st, 2017	As at March 31st, 2016
16.1	**Cash and Cash Equivalents**		
	Balances with Banks in Current Accounts	51.96	165.87
	Cheques-on-Hand	13.26	-
	Cash-on-Hand	0.63	0.84
		65.85	**166.71**
16.2	**Other Bank Balances**		
	Fixed Deposits with original maturity of more than three months upto twelve months	85.62	-
	Fixed Deposits with original maturity of more than twelve months	-	81.83
		151.47	248.54

17. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Loan Against Deposits (Secured)	13.88	4.03
Advances Recoverable in Cash or Kind	26.06	13.98
	39.94	18.01

18. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Current Maturities of Long-Term Loans & Advances (Secured)(Refer Note 13)	2,087.54	1,553.71
Installments Due from Borrowers (Secured)	60.14	44.56
Stock of Acquired Properties (Held for sale or disposal) (Secured)	154.99	83.81
Interest Accrued on Investments	31.08	23.93
Interest Accrued but not Due on Loans	164.81	70.90
Prepaid Expenses	201.85	130.87
Other Receivables	5.52	0.62
	2,705.93	1,908.40

18.1 The installments due from borrowers is net of interest de-recognised of ₹ 17.71 crores (Previous year ₹ 14.48 crores) in respect of non-performing loans. (Refer note 19.1)

18.2 Stock of Acquired Properties is net of Provision for Diminution in Value of ₹ 14.77 crores (Previous year ₹ 3.81 crores)

19. REVENUE FROM OPERATIONS

(₹ in crores)

	Current Year	Previous Year
INTEREST INCOME		
i) Interest on Loans	3,489.73	2,460.03
ii) Interest on Investments	149.48	85.22
iii) Other Interest	0.84	0.89
	3,640.05	2,546.14
Fees and Other Charges	166.08	85.27
Other Operating Income	63.14	42.30
Surplus from deployment of funds in Cash Management Schemes of Mutual Funds	27.86	14.21
Profit on sale of Asset	0.01	-
Profit / (Loss) on Sale of Investment	10.56	10.00
	3,907.70	2,697.92

19.1 Interest on non-performing loans is recognised on realisation basis as per the NHB Directions. Accordingly, movement of interest de-recognised as at the Balance Sheet date is summarised as under:

(₹ in crores)

	Current Year	Previous Year
Cumulative interest B/F from last Balance Sheet	14.48	3.77
Add: Interest de-recognised for the year on:		
- Sub-Standard Assets (Net)	15.88	9.58
- Doubtful/Loss Assets	3.60	10.65
Less:Recovered/Write-off during the year	16.25	9.52
Total	**17.71**	**14.48**

20. INTEREST EXPENSES AND OTHER CHARGES

(₹ in crores)

	Current Year	Previous Year
Interest on:		
Term Loans	397.24	400.05
Non-Convertible Debentures	1,079.14	578.14
Commercial Paper	328.69	226.66
Deposits	705.31	582.75
	2,510.38	**1,787.60**
Other Charges:		
Brokerage on Deposits	31.60	22.39
Fees and other Charges	16.47	10.81
Hedging Cost	84.46	38.88
Bank Charges	0.74	0.61
	2,643.65	**1,860.29**

21. EMPLOYEE BENEFIT EXPENSE

(₹ in crores)

	Current Year	Previous Year
Salaries and Allowances	93.95	70.50
Contribution to Provident Fund and Other Funds	5.64	3.50
Staff Welfare Expenses	1.67	1.28
	101.26	75.28

22. OFFICE OPERATING EXPENSES

(₹ in crores)

	Current Year	Previous Year
Rent, Rates and Taxes	19.31	14.96
Repairs and Maintenance - Building	0.86	0.83
Office Maintenance	1.12	0.67
Electricity and Water Charges	4.90	4.15
General Office Expenses	36.80	23.92
Insurance Charges	0.14	0.25
Travelling and Conveyance	4.70	3.31
Printing and Stationery	2.51	2.56
Postage and Telephone	4.61	5.78
	74.95	56.43

23. OTHER EXPENSES

(₹ in crores)

	Current Year	Previous Year
Cost of Loan Acquisition	90.30	49.71
Advertisement and Publicity	21.89	23.06
Professional Charges	22.54	14.64
Legal Expenses	20.56	11.41
Director's Sitting Fee	0.54	0.45
Auditors Remuneration (Refer Note 32)	0.39	0.29
Loss on sale of Fixed Assets	-	0.12
CSR expenses (Refer Note 30)	3.68	3.98
Miscellaneous Expenses	2.54	1.67
	162.44	**105.33**

24. DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

The following additional disclosures have been given in terms of the circular no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by the National Housing Bank.

24.1 Capital to Risk Assets Ratio (CRAR)

(₹ in crores)

Particulars	Current Year	Previous Year
i) CRAR (%)	21.62	12.70
ii) CRAR - Tier I Capital (%)	16.48	9.04
iii) CRAR - Tier II Capital (%)	5.14	3.66
(iv) Amount of Subordinated debt raised as Tier-II Capital	1,399.00	610.00
(v) Amount raised by issue of perpetual Debt Instruments	-	-

24.2 Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crores)

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	30.24	23.34
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of NHB Act, 1987	239.76	181.36
(c) Total	270.00	204.70
Addition / Appropriation / Withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	10.60	6.90
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	95.00	58.40
Less:		
(a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b) Amount withdrawn from Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	-	-
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	40.84	30.24
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	334.76	239.76
(c) Total	375.60	270.00

24.3 Investments

(₹ in crores)

Particulars	Current Year	Previous Year
Value of Investments		
(i) Gross value of Investments		
(a) In India	3,287.29	1,627.02
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	7.73	4.75
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	3,279.56	1,622.27
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.75	2.67
(ii) Add: Provisions made during the year	4.65	2.08
(iii) Less: Write-off / Written-bank of excess provisions	1.67	-
(iv) Closing balance	7.73	4.75

24.4 Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crores)

Particulars		As at March 31st, 2017
(i)	The notional principal of swap agreements	1,604.13
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	11.31
(iii)	Collateral required by the HFC upon entering into swaps	Nil
(iv)	Concentration of credit risk arising from the swaps@	Nil
(v)	The fair value of the swap book	(57.70)

i) The Company has entered into Swap agreement with four banks having almost equal exposure with each of them. Hence, there is no concentration of credit risk which could be exposure to particular industries or swaps with highly geared companies.

ii) Exchange Traded Interest Rate (IR) Derivative-There is no exchange traded interest rate derivative.

iii) Disclosure on Risk Exposure in Derivatives

A. Qualitative Disclosure

Particulars	Details
a) the structure and organization for management of risk in derivatives trading,	Company has a Risk Management Committee (RMC) constituted by the Board and has a Market Risk Management policy under its supervision. As a policy, the Company doesn't trade into derivative products. The Company has entered into derivative product for its ECB borrowing for financing prospective buyers of low cost affordable housing units under "approval route" in terms of RBI guidelines.
b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,	The RMC has put in place or enhanced the control measures to contain these risks. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.
c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and	The Company has not entered into any derivative transaction except as required under RBI guidelines for its ECB borrowing for financing prospective buyers of low cost affordable housing units. The derivate transaction entered into for hedging the ECB borrowing is an held-till-maturity transaction. As such, as of now, the Company is not required to have policy on hedging or mitigation of risk on derivative transactions.
d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.	The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are revalued at their fair market value, on that date. Profit/Losses, on revaluation, are recognised in the Statement of Profit and Loss. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses for the period. Premium / discount on derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the Balance Sheet date.

B. Quantitative Disclosure

(₹ in crores)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1,604.13	-
(ii) Marked to Market Positions	(57.70)	-
(a) Assets (+)	15.39	-
(b) Liability (-)	(73.09)	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	57.02	-

24.5 Securitisation

i) There are no SPVs sponsored by PNB Housing Finance Limited.

ii) During the year, the Company did not sell any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction (Previous year ₹ Nil)

iii) Details of assignment transactions undertaken by the HFC:

(₹ in crores)

Particulars	Current Year	Previous Year
(i) No. of accounts	9,739	-
(ii) Aggregate value (net of provisions) of accounts assigned	3,377.00	-
(iii) Aggregate consideration	3,377.00	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

iv) Details of non-performing financial assets purchased / sold: The Company has not purchased / sold any non-performing financial assets (Previous year ₹ Nil)

24.6 Asset Liability Management

The residual maturity profile of Assets and Liabilities is carried out based on the estimates and assumptions regarding prepayments and renewals as prescribed by the National Housing Bank (NHB). Maturity pattern of certain items of assets and liabilities are as follows:

As on March 31st, 2017

(₹ in crores)

Particulars	Liabilities				Assets		
	Deposits	Bank Borrowings	Market Borrowings	Foreign Currency	Net Advances	Investments	Foreign Currency
Upto 30/31 days (one month)	179.53	940.69	600.00	-	1,159.52	1,379.29	-
Over 1 month to 2 months	166.27	960.69	500.00	-	1,088.40	708.07	-
Over 2 months to 3 months	242.38	-	500.37	12.16	1,052.02	85.64	-
Over 3 months to 6 months	695.87	261.88	2,200.37	12.16	2,950.96	-	-
Over 6 months to 1 year	1,956.87	422.90	1,769.26	25.77	5,085.43	230.83	-
Over 1 year to 3 years	4,404.73	826.54	3,943.00	744.19	12,866.15	0.78	-
Over 3 years to 5 years	1,923.76	665.33	6,399.00	192.08	6,263.00	11.66	-
Over 5 years to 7 years	98.14	577.79	2,329.00	525.19	3,241.60	363.54	-
Over 7 years to 10 years	319.54	435.41	700.00	-	2,321.94	549.01	-
Over 10 years	-	126.00	-	-	2,535.65	36.36	-
Total	**9,987.09**	**5,217.23**	**18,941.00**	**1,511.55**	**38,564.67**	**3365.18**	**-**

As on March 31st, 2016

(₹ in crores)

Particulars	Liabilities				Assets		
	Deposits	Bank Borrowings	Market Borrowings	Foreign Currency	Net Advances	Investments	Foreign Currency
Upto 30/31 days (one month)	127.35	783.72	-	-	539.50	571.01	-
Over 1 month to 2 months	73.06	20.00	3,700.00	-	530.18	0.05	-
Over 2 months to 3 months	44.19	-	1,325.00	-	521.05	319.21	-
Over 3 months to 6 months	423.78	268.61	100.00	-	1,510.25	-	-
Over 6 months to 1 year	286.14	536.45	90.00	-	2,798.55	30.28	-
Over 1 year to 3 years	2,584.37	964.74	1,530.00	-	8,821.65	0.40	-
Over 3 years to 5 years	576.66	508.70	4,490.00	610.70	4,510.01	0.84	-
Over 5 years to 7 years	2741.55	441.00	1860.00		2,860.52	53.92	-
Over 7 years to 10 years	91.92	338.79	1310.00		2,474.14	691.98	-
Over 10 years	172.14	160.00	-		2,635.00	36.41	-
Total	**7,121.16**	**4,022.01**	**14,405.00**	**610.70**	**27,200.85**	**1,704.10**	**-**

24.7 Exposure:

i) Exposure to Real Estate Sector

(₹ in crores)

Sr. No.	Particulars	As at March 31st, 2017	As at March 31st, 2016
I)	**Direct Exposure**		
	A. Residential Mortgages (including loan against residential property): Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of which Individual Housing Loans up to ₹ 15 lakhs - ₹ 2,313.59 crores, Previous year ₹ 2,142.00 crores)	27,354.46	22,554.97
	B. Commercial Real Estate: Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	11,415.71	4,645.86
	C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	i) Residential	-	-
	ii) Commercial Real Estate	-	-
II)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Note: In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) Exposure to Capital Market: As on March 31st, 2017, the Company does not have any exposure to Capital Market (Previous year ₹ Nil).

iii) Details of financing of parent company products: As on March 31st, 2017, the Company has not financed any product of the parent company (Previous year ₹ Nil).

iv) Details of Single Borrower Limit / Group Borrower Limit: As on March 31st, 2017, the Company has not exceeded the prudential exposure limit for single borrower or group borrower (Previous year ₹ Nil).

v) Unsecured Advances: As on March 31st, 2017, the Company has not given any unsecured advances (Previous year ₹ Nil).

24.8 Registration obtained from financial sector regulators

From NHB : vide registration number 01.0018.01

Ministry of Corporate Affairs : L65922DL1988PLC033856

24.9 Disclosure of Penalties imposed by National Housing Bank and other regulators:

During the financial year ended March 31st, 2017:

i) Company has not been imposed any penalty by National Housing Bank and other regulators.

ii) NHB has carried out inspection for FY2014-15 and has not reported any adverse comment having material impact on the financials.

24.10 Related Party Transactions

As per the Accounting Standard on 'Related Party Disclosures' (AS 18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

Name of the Related Party	Nature of Relationship
i) Punjab National Bank *	Enterprise having Significant Influence#
ii) Destimoney Enterprises Limited**	Enterprise having Significant Influence
iii) Quality Investments Holdings**	Enterprise having Significant Influence
iv) PNB Gilts Limited*	Fellow Subsidiary#
v) PNB Investment Services Limited*	Fellow Subsidiary#
vi) Punjab National Bank (International) Ltd., UK *	Fellow Subsidiary#
vii) Druk PNB Bank Ltd, Bhutan *	Fellow Subsidiary#
viii) PNB Insurance Broking Private Limited *	Fellow Subsidiary#
ix) Mr. Sanjaya Gupta (Managing Director)	Key Managerial Personnel
x) Mr. Sanjay Jain (Company Secretary)	Key Managerial Personnel
xi) Mr. Jayesh Jain (Chief Financial Officer)	Key Managerial Personnel

* State Controlled Enterprises

** During the year, Destimoney Enterprises Limited transferred 6,21,92,300 equity shares to its holding Company i.e. Quality Investments Holdings pursuant to in-specie distribution of its assets as per winding up scheme.

Pursuant to Initial Public Offer (IPO) of the Company, the status of Punjab National Bank has changed from Holding Company to Enterprise having Significant Influence as shareholding of PNB has reduced from 51% to 39.08%. Consequently, subsidiaries of Punjab National Bank cease to be fellow subsidiaries of the Company from the date of allotment of shares under IPO i.e. November 03, 2016.

Transactions with Related Parties

The nature & volume of transactions of the Company during the year, with the above related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

(₹ in crores)

Particulars	Enterprises having significant influence		Fellow Subsidiaries		Key Managerial Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Punjab National Bank						
- Term Loan Instalment / OD Payment	5,994.02	1,033.33	-	-	-	-
- Interest Paid on Term Loan and Overdraft	56.28	93.15	-	-	-	-
- Rent & Maintenance Charges	0.43	0.36	-	-	-	-
- Bank Charges	0.69	0.54	-	-	-	-
- Director Sitting Fee	0.09	0.13	-	-	-	-
- Servicing Fees received on assignment of Loan Portfolio	4.28	5.32	-	-	-	-
- Interest received on Fixed Deposits	1.13	4.50	-	-	-	-
- Dividend Paid	20.58	13.39	-	-	-	-
- Call money received on partly paid-up Equity Shares	-	153.00	-	-	-	-
Destimoney Enterprises Limited						
- Dividend Paid	19.81	10.71	-	-	-	-
- Commission paid	-	1.30	-	-	-	-
- Call money received on partly paid-up Equity Shares	-	147.00	-	-	-	-
Professional Services						
- PNB Investment Services Ltd	-	-	0.22	-	-	-
Remuneration paid to KMPs:						
- Mr. Sanjaya Gupta (Managing Director)	-	-	-	-	1.89	1.37
- Mr. Jayesh Jain (Chief Financial Officer)	-	-	-	-	0.85	0.59
- Mr. Sanjay Jain (Company Secretary)	-	-	-	-	0.56	0.47

The policy on dealing with Related Party Transactions is available on our website www.pnbhousing.com

24.11 During the year, no transaction was accounted which was related to prior period (Previous year ₹ Nil).

24.12 During the year, no item of revenue recognition has been postponed except as disclosed in accounting policy for revenue recognition (Refer Note 1.6).

24.13 Rating assigned by Credit Rating Agencies and migration of rating during the year

Nature of Instrument	Ratings
Deposits	CRISIL FAAA(Outlook Negative) CARE AAA
Long term bonds (Secured and Tier-II bonds)	CRISIL AA+(Outlook Negative) CARE AAA (Outlook stable) IND AAA with stable outlook ICRA AA+/ Stable
Commercial Paper	CARE A1+ CRISIL A1+
Bank Term Loan	CRISIL AA+(Outlook Negative) CARE AAA

The details of change in Ratings, during the year is given hereunder:

Rating Agency	Instrument	Previous Rating	Revised Rating
CRISIL	NCD / Term Loan	CRISIL AA+ (Outlook Stable)	CRISIL AA+ (Outlook Negative)
CRISIL	Fixed Deposits	FAAA (Outlook Stable)	FAAA (Outlook Negative)

24.14 Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account is given as follows

(₹ in crores)

Particulars	Current Year	Previous Year
Provisions for depreciation on Investment	2.98	2.08
Provision made towards Income tax	280.28	176.62
Provision towards NPA	5.09	(1.09)
Provision for Standard Assets		
i) Teaser Loans	-	-
ii) CRE	17.68	12.91
iii) CRE - RH	14.91	6.57
iv) Other Loans	30.92	32.98
Total (i + ii + iii + iv)	63.51	52.46
Other Provision and Contingencies (Refer Note 1.20)	14.98	24.50
Provision for Stock of Acquired Properties	10.97	2.71

24.15 Break-up of Loan & Advances and Provisions thereon:

The Company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognising Non-Performing Assets (NPA) in preparation of Accounts. As per the norms, NPAs are recognised on the basis of more than 90 days overdue. NPAs are to be treated as Bad & Doubtful, if they remain outstanding for more than 15 months. The Company has made adequate provisions on Non-Performing Assets and Standard Assets in respect of Housing and Non-Housing Loans as prescribed under Housing Finance Companies (NHB) Directions, 2010.

(₹ in crores)

Particulars	Housing		Non-Housing	
	As at March 31st, 2017	As at March 31st, 2016	**As at March 31st, 2017**	As at March 31st, 2016
Standard Assets				
a) Total Outstanding Amount	27,348.61	19,083.50	11,335.78	8,057.52
b) Provision made	124.65	85.28	69.32	45.18
Sub-Standard Assets				
a) Total Outstanding Amount	36.42	34.90	13.31	8.40
b) Provision made	7.60	7.72	2.02	1.30
Doubtful Assets - Category-I				
a) Total Outstanding Amount	19.02	1.49	4.91	1.31
b) Provision made	5.22	0.84	1.23	0.41
Doubtful Assets - Category-II				
a) Total Outstanding Amount	2.79	4.74	0.84	1.06
b) Provision made	1.82	2.79	0.40	0.71
Doubtful Assets - Category-III				
a) Total Outstanding Amount	3.71	3.18	4.18	4.04
b) Provision made	3.71	3.18	4.18	4.04
Loss Assets				
a) Total Outstanding Amount	0.60	0.69	-	-
b) Provision made	0.60	0.69	-	-
TOTAL				
a) Total Outstanding Amount	27,411.15	19,128.50	11,359.02	8072.33
b) Provision made	143.59	100.50	77.15	51.64

24.16 Concentration of Public Deposits

(₹ in crores)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	3,074.42	1,487.36
Percentage of Deposits of twenty largest depositors to Total Deposits	35.27%	27.38%

24.17 Concentration of Loans & Advances

(₹ in crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	3,975.49	2,856.16
Percentage of Loans & Advances to twenty largest borrowers to Total Advances	10.25%	10.52%

24.18 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in crores)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /customers	4,715.13	3,389.15
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.74%	10.99%

24.19 Concentration of NPAs

(₹ in crores)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	27.76	20.16

24.20 Sector-wise NPAs

(₹ in crores)

Particulars	Percentage of NPAs to Total Advances in that sector	
	Current Year	Previous Year
A. Housing Loans:	0.23	0.24
1. Individuals	0.27	0.27
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans:	0.20	0.18
1. Individuals	0.27	0.25
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

24.21 Movement of NPAs

(₹ in crores)

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.15%	0.14%
(II) Movement of NPAs (Gross)		
a) Opening balance	59.81	34.14
b) Additions during the year	261.24	152.27
c) Reductions during the year	235.27	126.60
d) Closing balance	85.78	59.81
(III) Movement of Net NPAs		
a) Opening balance	38.13	18.37
b) Additions during the year	251.23	139.91
c) Reductions during the year	230.36	120.15
d) Closing balance	59.00	38.13
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	21.68	15.77
b) Provisions made during the year	52.01	33.63
c) Write-off/write-back of excess provisions	46.91	27.72
d) Closing balance	26.78	21.68

24.22 Overseas Assets: As on March 31st, 2017, the Company does not have any Assets outside the country (Previous year ₹ Nil).

24.23 As on March 31st, 2017, the Company does not have any Off-Balance Sheet SPVs sponsored (Previous year Nil).

24.24 Disclosure of Complaints

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	29	38
b) No. of complaints received during the year	4,138	2,846
c) No. of complaints redressed during the year	4,114	2,855
d) No. of complaints pending at the end of the year	53	29

25. Operating Lease

In accordance with the Accounting Standard on 'Leases' (AS 19), notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures in respect of Operating Leases are made. The Company has acquired properties under Cancellable and non-cancellable operating leases for periods ranging from 12 months to 60 months. The total minimum lease payments for the current year, in respect thereof, included under Rent, aggregates to ₹ 18.70 crores (Previous year ₹ 14.62 crores). The future minimum lease payments in respect of properties taken under non-cancellable operating lease are as follows:

(₹ in crores)

Particulars	Current Year	Previous Year
Not later than one year	9.55	10.87
Later than one year but not later than 5 years	9.80	8.84
More than five years	Nil	Nil

26. In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20), the Earnings Per Share is as follows:

i) The Earnings Per Share (EPS) is calculated as follows:

Particulars	Unit	Current Year	Previous Year
a) Amount used as the numerator for Basic EPS Profit After Tax	(₹ in crores)	523.73	326.47
b) Weighted average number of equity shares for Basic EPS	Number	14,26,32,517	11,87,96,450
c) Weighted average number of equity shares for Diluted EPS	Number	14,48,75,547	11,87,96,450
d) Nominal value per share	(in ₹)	10/-	10/-
e) Earnings Per Share:			
- Basic (a/b)	(in ₹)	36.72	27.48
- Diluted (a/c)	(in ₹)	36.15	27.48

ii) The Basic Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares for the respective periods. The weighted average number of shares have been derived as follows:

(a) For the year 2016-17 :

Particulars	No. of Shares	Days
i) 12,69,23,000 Equity Shares of ₹ 10/- each (Fully Paid-up) at the beginning of the year	12,69,23,000	365
ii) Shares issued during the year pursuant to IPO	3,87,19,309	148
iii) Bonus element on issue of Equity Shares to employees pursuant to IPO	9,633	365
iv) **Weighted Average number of shares for computation of Basic Earnings Per Share**	**14,26,32,517**	

(b) For the year 2015-16 :

Particulars	No. of Shares	Days
i) 5,00,00,000 Equity Shares of ₹ 10/- each (Fully Paid-up) and 7,69,23,000 of ₹ 10/- each (Partly Paid-up ₹ 7/- per each) at the beginning of the year	10,38,46,100	366
ii) Third and final call of ₹ 3/- on 39,230,700 equity shares having nominal value of ₹ 10/- per share	1,17,69,210	235
iii) Third and final call of ₹ 3/- on 37,692,300 equity shares having nominal value of ₹ 10/- per share	1,13,07,690	239
iv) Bonus element on issue of Equity Shares to employees pursuant to IPO	9,633	366
v) **Weighted Average number of shares for computation of Basic Earnings Per Share**	11,87,96,450	

iii) The Diluted Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares after giving effect of outstanding Stock Options for the respective periods. The weighted average number of shares have been derived as follows:

For the year 2016-17:

Particulars	No. of Shares	
	Current Year	Previous Year
i) Weighted Average number of shares for computation of Basic Earnings Per Share	14,26,32,517	11,87,96,450
ii) Dilute effect of outstanding stock Options	22,43,030	-
iii) **Weighted Average number of shares for computation of Diluted Earnings Per Share**	**14,48,75,547**	11,87,96,450

27. Segment Reporting:

Company's main business is to provide loans against/for purchase, construction, repairs & renovations of Houses/ Flats/Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Accounting Standard on Segment Reporting (AS-17), notified by the Companies (Accounting Standard) Rules, 2016.

28. Contingent Liabilities and Commitments

i) Contingent liability in respect of Income-tax and Interest-tax demands of ₹ 20.33 crores (Previous year ₹ 18.37 crores) is disputed by the Company and are under appeals. These includes contingent liability of ₹ 17.69 crores (Previous year ₹ 16.91 crores) with respect to Income-tax and Interest-tax which have been decided by the CIT(A) in Company's favour. However, Income-tax Department has filed appeal with ITAT. The Company expects the demands to be set aside by the appellate authority and hence no additional provision is considered necessary.

ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 14.11 crores (Previous year ₹ 17.20 crores).

iii) Claims against the Company not acknowledged as debt is ₹ Nil (Previous year ₹ Nil)

29. Disclosure in respect of Employee Benefits:

In accordance with Accounting Standards on "Employee Benefits" (AS 15), the following disclosure have been made:

29.1 The company has made contribution to Provident Fund of ₹ 3.71 crores (Previous year ₹ 2.84 crores) which has been recognised in the Statement of Profit and Loss which are included under "Contribution to Provident Fund and Other Funds" in Note 21.

29.2 The Company has recognised expenses of ₹ 1.14 Crore (Previous Year ₹ 0.87 Crore) in the Statement of Profit and Loss for Contribution to State Plan namely Employee' Pension Scheme.

29.3 Defined Benefit Plans

GRATUITY LIABILITY

Change in present value of obligation

(₹ in crores)

Particulars	Current Year	Previous Year
Present value of obligation as at the beginning of the year	2.95	2.18
Interest cost	0.23	0.17
Current service cost	1.15	0.56
Benefits paid	(0.10)	(0.04)
Actuarial (gain) / loss on obligation	1.34	0.08
Present value of obligation as at the end of year	5.57	2.95

Change in fair value of plan assets

(₹ in crores)

Particulars	Current Year	Previous Year
Fair Value of plan assets as at the beginning of the year	3.47	2.64
Actual return on plan assets	0.28	0.23
Contributions	0.99	0.64
Benefits paid	(0.10)	(0.04)
Fair Value of plan assets as at the end of year	4.64	3.47
Funded status	(0.93)	0.52

Expense recognized in the statement of Profit and Loss

(₹ in crores)

Particulars	Current Year	Previous Year
Current service cost	1.15	0.56
Interest cost	0.23	0.17
Expected return on plan assets	(0.27)	(0.23)
Net actuarial (gain) / loss recognized in the year	1.33	0.08
Expenses recognized in the statement of profit & losses	2.44	0.58

Assumptions

Particulars	Current Year	Previous Year
Discounting Rate	7.35%	8.00%
Future salary Increase	7.75%	7.75%
Expected Rate of Return on Plan Assets	7.75%	7.75%
Retirement Age (Years)	60	60
Mortality Table	IALM (2006-08)	IALM (2006-08)

Amount recognised in Balance Sheet

(₹ in crores)

Particulars	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Present value of obligation as at the end of the year	5.57	2.95	2.18	1.57	1.33
Fair value of plan assets as at the end of the year	4.64	3.47	2.64	2.02	1.76
Funded / (Unfunded) status	(0.93)	0.52	0.46	0.45	0.43
Net asset / (liability) recognized in balance sheet	(0.93)	-	-	-	-

30. Corporate Social Responsibility Activities

Other Expenses includes ₹ 3.68 crores for the year ended March 31st, 2017 (Previous year ₹ 3.98 crores) contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Disclosure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 is as under:

a) Gross amount required to be spent by the Company during the year is ₹ 6.50 crores.

b) Amount spent during the year on: ₹ 5.72 crores (includes ₹ 3.56 crores for earlier years).

(₹ in crores)

Particulars	Current Year			Previous Year		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above:						
a) Contribution to various Trust/ NGOs/Societies/Agencies and utilisation thereon	1.77	1.65	3.42	0.33	3.52	3.85
b) Expenditure on Administrative Overheads for CSR	0.26	-	0.26	0.13	-	0.13

c) Details of related party transactions in relation to CSR expenditure, as per Accounting Standard (AS-18) – Nil

d) An amount of ₹ 1.65 crores had been provided for by the company suo-motu as on March 31st, 2017 (Previous year ₹ 3.52 crores) which relates to the projects sanctioned during FY 2016-17 and the disbursement would be done subject to the receipt of a satisfactory field visit report.

31. There are no indications which reflect that any of the assets of the Company had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Accounting Standard on "Impairment of Assets" (AS 28) notified by the Companies (Accounting Standards) Rules, 2006.

32. Auditors Remuneration:

(₹ in crores)

Particulars	Current Year	Previous Year
Statutory Audit Fee	0.15	0.12
Tax Audit Fee	0.05	0.05
Limited Review Fee	0.04	-
Other Certification Fee*	0.13	0.12
Total	0.37	0.29

* Exclude fee paid to statutory auditor amounting to ₹ 0.40 Crore (Previous year ₹ Nil) for IPO related services.

33. Expenditure in Foreign Currency:

(₹ in crores)

Particulars	Current Year	Previous Year
Interest Paid	38.10	21.94
Other Expenses	5.51	-

34. Disclosure in respect of details of specified bank notes (SBN) held and transacted during demonetisation period from November 08, 2016 to December 30, 2016 is as follows:

(₹ in crores)

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.75	0.02	0.77
(+) Permitted receipts	-	2.28	2.28
(-) Permitted payments	-	0.08	0.08
(-) Amount deposited in Banks	0.75	2.05	2.80
Closing cash in hand as on 30.12.2016	-	0.17	0.17

35. Previous year figures have been rearranged / regrouped wherever necessary to correspond with Current year's classification disclosure.

GLIMPSES FY2016-17

Branch Inaugurations

GLIMPSES FY2016-17

Events and Exhibitions

GLIMPSES FY2016-17

Initial Public Offering

GLIMPSES FY2016-17

Corporate Social Responsibility

OUR OFFICE NETWORK

CENTRAL SUPPORT OFFICE (CSO) - Delhi

Zonal Office
North (Co-housed with COPs & CPC)
Noida
West
Mumbai
South
Bangalore

Processing Hub
North (7)
Chandigarh Hub, Dehradun Hub, Green Park Hub, Jaipur Hub, Kolkata Hub, Lucknow Hub, Noida Hub
West (5)
Ahmedabad Hub, Indore Hub, Mumbai Hub, Pune Hub, Thane Hub
South (6)
Bangalore Hub[2], Chennai Hub, Cochin Hub, Coimbatore Hub, Hyderabad Hub

Branch
North (25)
Agra, Bhiwadi, Bhubaneswar, Bikaner, Chandigarh, Dehradun, Delhi[1], Faridabad, Ghaziabad, Gurgaon, Jaipur, Jalandhar, Jodhpur, Kanpur, Karnal, Kolkata, Lucknow, Ludhiana, Meerut, Noida[2], Varanasi
West (22)
Ahmedabad[2], Bhopal, Indore, Kolahpur, Mumbai[1], Nagpur, Nasik, Pune[1], Rajkot, Raipur, Surat, Vadodra, Virar
South (16)
Bangalore[1], Chennai[2], Cochin, Coimbatore, Hyderabad[2], Madurai, Thrissur, Trivandrum, Vijayawada, Vishakhapatnam

1: Includes three or more branches in the city
2: Includes two branches in the city
3: Includes two Hubs in the city

Ghar Ki Baat

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