



Regd. Office: 9th Floor Antriksh Bhawan, 22 K G Marg, New Delhi

June 15, 2021

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

Dear Sir,

We refer to your letter dated no. Ref. No.: NSE/CM/Surveillance/10862 dated June 14, 2021. We submit our reply as under;

1. At the outset, and without prejudice to the fact that the Company is not required under applicable law to procure a valuation (*inter alia* in light of the fact that Section 62(1)(c) the Companies Act, 2013 (which deals with preferential issues), read with the second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 ("**SCD Rules**"), clearly provides that: "...*the price of shares to be issued on a preferential basis by a listed company shall not be required to be determined by the valuation report of a registered valuer*"; and given further that the price arrived at by a registered valuer may in a given case be lower than, and hence not compliant with, the minimum legally prescribed price pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**")); nevertheless, with respect to the preferential issuance approved by the board of directors of the Company on May 31, 2021 ("**Preferential Issue**"), the Company had obtained a valuation report dated May 29, 2021 from BR Maheswari & Co LLP ("**Firm**"), the Company's statutory auditor, as reviewed and confirmed by Mr. Amresh Sood, Partner of the Firm who is a registered valuer (Registration Number IBBI/RV/06/2018/10359) as being in accordance with both the SEBI ICDR Regulations as well as the valuation standards issued by ICAI ("**Valuation Report**"). Further, the management of the Company had also received a valuation report dated May 31, 2021 provided by the lead investor, which was issued by Mr. Vikram Kailash Jain, a registered valuer (belonging to the CA firm SSPA & Co.; Registration Number: IBBI/RV/06/2018/10210). The Company has already provided the Exchange with copies of such reports (i.e. the Valuation Report and the report issued by Mr. Vikram Kailash Jain) vide our email dated June 11, 2021.
2. We reiterate that there is no prescribed methodology required to be followed with regard to the valuation of shares of a listed entity (apart from the minimum pricing formula prescribed under the SEBI ICDR Regulations (which pricing formula is market-linked, and the floor price is the higher of two values determined based on differing look-back periods with reference to the 'relevant date' for the preferential issuance)), and hence there is no prescribed distinction between a pricing and a valuation certificate. The process followed by the Company is also in line with the market practice followed by listed companies.
3. It should also be noted that the Board of Directors of the Company took into account various factors, including but not limited to the urgent requirement for funds, the general downturn in the economy, inability of PNB to invest further funds due to rejection of regulatory approval, appetite from investors,

price (relative to market price) at which various types of issuances (including rights issues and QIPs) have taken place etc., and it was basis such thorough examination and consideration of various factors that the issue price was arrived at.

4. In summary therefore, the issue price for the preferential issue proposed to be undertaken by the Company (i.e. INR 390 per share) ("**Issue Price**") is higher than the minimum floor price calculated as per Regulation 164(1) of the SEBI ICDR Regulations (i.e., INR 384.60), as also borne out by the aforementioned valuation reports, and was arrived at after due consideration and weighing of various relevant factors, and hence the pricing for the said preferential issue has been determined in compliance with applicable law.

Thanking You,

For PNB Housing Finance Limited

Sanjay Jain
Company Secretary & Head Compliance