



Ghar Ki Baat

27th Annual Report 2014-15

**GROWING HIGHER  
BY  
GOING DEEPER**





Some principles in life are eternal; deeper the effort, higher is the level of outcome.

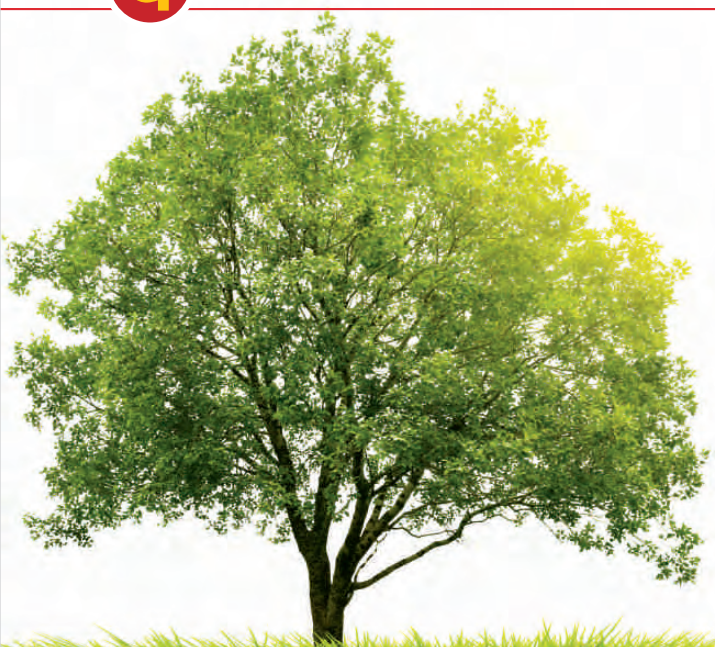
At PNB HFL, we have consciously imbibed this strategy into all our activities, which has enabled us to gain better control over the macro and micro aspects of our sustenance. The result is as natural as the transformation of a seed into a tree, one that is primed to reach for the skies, while its roots develop a firm grip of the ground realities.

With these thoughts, we invite you to explore the pages of this 27th Annual Report.

# Contents

34	Corporate Information
35	Profile of the Board of Directors
40	Growth Story of PNB HFL
42	From the Chairman's Desk
44	From the Managing Director's Desk
50	Management Discussion and Analysis
64	Director's Report
73	Annexure to Director's Report
83	C & AG Report
85	Auditors' Report
92	Balance Sheet
93	Profit and Loss Statement
94	Cash Flow Statement
96	Notes to Financial Statement
126	Glimpses





Let the gentle bush dig  
its root deep and  
spread upward to split  
the boulder.”

– Carl Sandburg

## GROWING HIGHER BY GOING DEEPER

The key takeout from the above quote is ‘going deeper’. For a tree to bear healthier branches, prettier leaves and sweeter fruits, it must be enriched by stronger and deeper roots.

It is this tenet that has sketched the success story of PNB HFL. The simile makes us nod our heads in affirmation to the fact that indeed we draw our inspiration from a tree, which keeps growing higher and wider, humbly offering fruits, shade and shelter, yet holding firmly to its roots, never forgetting who it really is.

We at PNB HFL, look at every ounce of growth as a direct outcome of our effort in going deeper into our internal processes, exploring, refining and polishing them at every step. Our aim is to reach a state where, 'what', 'how' and 'why' of each granular element in the system attains an enormous level of clarity. With such focus, our fundamentals get strengthened and what emerges is an undeniably refreshing upshot in our business results. This approach stems from our belief that our crest should be an emanation of the depths gained by our roots.

Five years ago, when we launched 'Kshitij', our signature business process re-engineering, we 'switched' our focus inwards and sprouted the seed of an endless growth journey. This led to the genesis of our epic transformation. The redesigned business framework nourished our 'roots' and turned our performance curve skywards. Our 'branches' are now getting stronger, creating opportunities for home aspirants to

realise their dreams. Our team members work together, like the 'green leaves'; they give life to the organisation and live our motto of being 'Customer-Centric'. Our brand new robust technology framework gushes through our 'arteries', enlivening our internal processes to deliver a smooth end-to-end workflow. The central support office is like the 'trellis' holding the entire structure together amidst an ever changing industry scenario.

The 'fruits' of our efforts have turned out to be sweeter than our expectations. We are now amongst the top five housing finance companies in the Country.

Yet, India is a vast and a diverse nation with its own sets of challenges. Even today, millions of people are struggling to own a shelter for their family. We recognise this fact, with humility, and keep reminding ourselves that we still have a long way to go in our pursuit to be **the most admired housing finance company in the Country.**





...

...

# DEEPER **ROOTS** BEAR **SWEETER** FRUITS

FY 2014-15 HAS PROVED TO BE ANOTHER YEAR OF SUCCESS AND GROWTH FOR PNB HFL. WE AIMED FOR AND HAVE ACHIEVED TARGETS SIGNIFICANTLY HIGHER THAN INDUSTRY AVERAGES.

AUM grew by 63% compared to the previous year

---

Achieved above average growth in loan disbursement, 72% higher than FY 2013-14

---

Deposits grew by 186% in comparison to the previous year

---

Profit after tax improved by 54% vis-a-vis last year

---

High credit ratings – CRISIL FAAA with stable outlook and CARE AAA for fixed deposits, CARE AAA for bank borrowings, CARE AAA and IND AAA with stable outlook by India Ratings (Fitch Group) for Bonds/NCDs and CARE A1+ for commercial papers

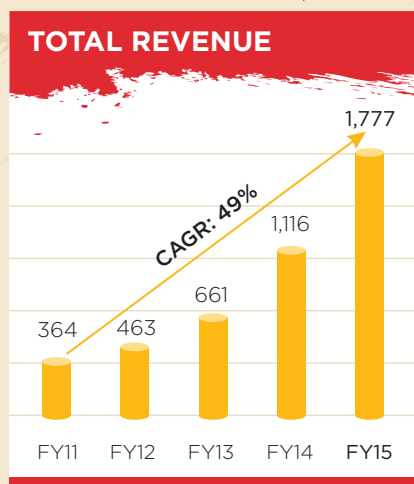


## 5 Years Performance at a Glance

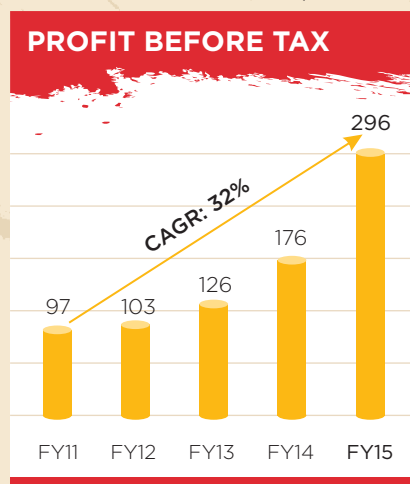
(₹ in crores)

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Revenue	364	463	661	1116	1777
Profit Before Tax	97	103	126	176	296
Profit After Tax	69	75	91	127	196
Deposits Outstanding	220	363	1051	1712	4897
Net Worth	326	392	609	920	1581
Dividend (%)	22	22	25	30	30
Loan Approvals	1391	1668	6091	8840	15076
Loan Disbursements	1267	1508	3682	5500	9440
Loan Outstanding	3167	3970	6620	10591	16819
Gross NPA	41.50	41.27	37.09	33.72	34.14
Net NPA	29.44	26.61	23.40	16.40	11.37

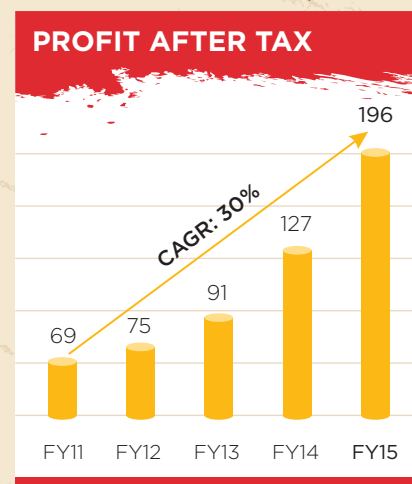
(₹ in crores)



(₹ in crores)

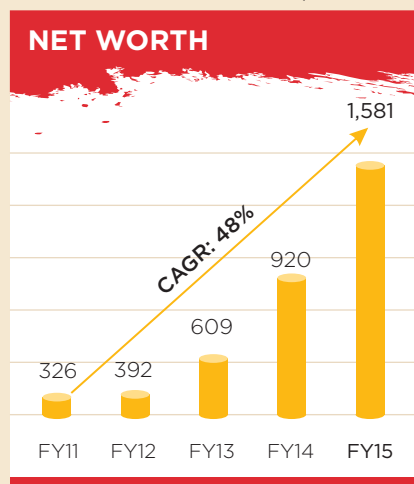


(₹ in crores)

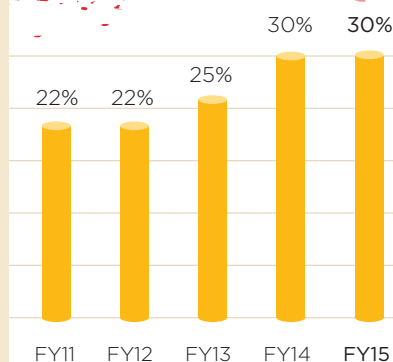




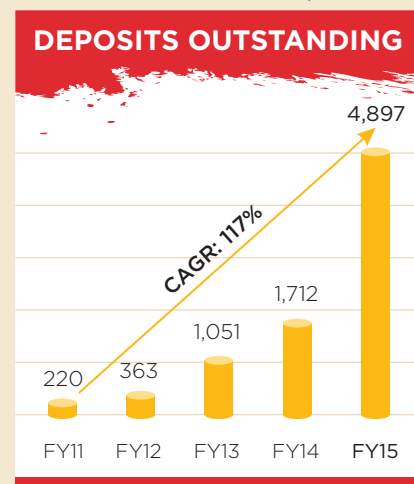
(₹ in crores)



### DIVIDEND



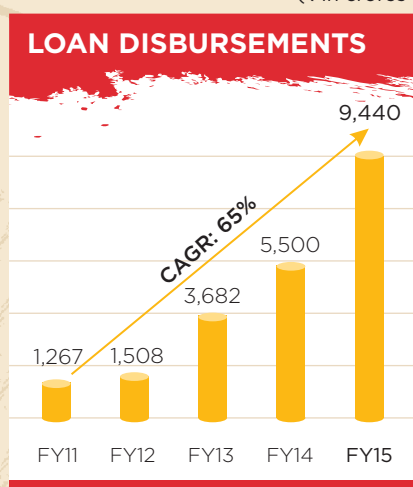
(₹ in crores)



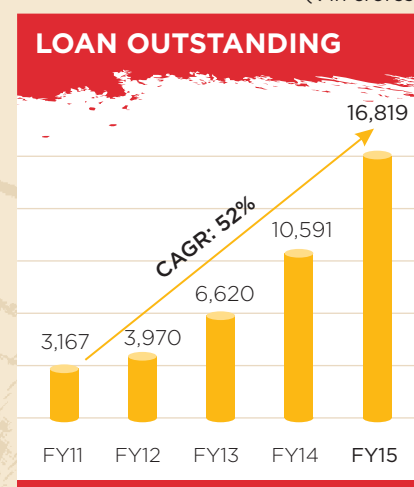
(₹ in crores)



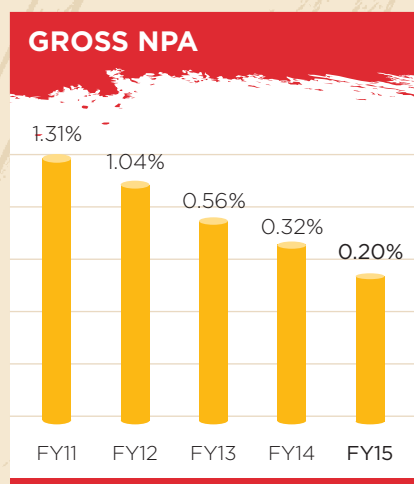
(₹ in crores)



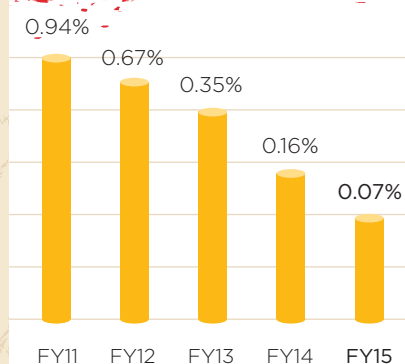
(₹ in crores)



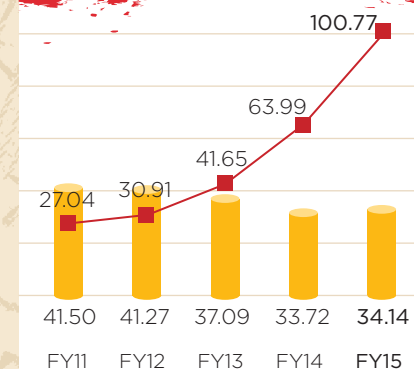
(₹ in crores)



### NET NPA



### GROSS NPA & PROVISION





# AWARDS AND RECOGNITIONS