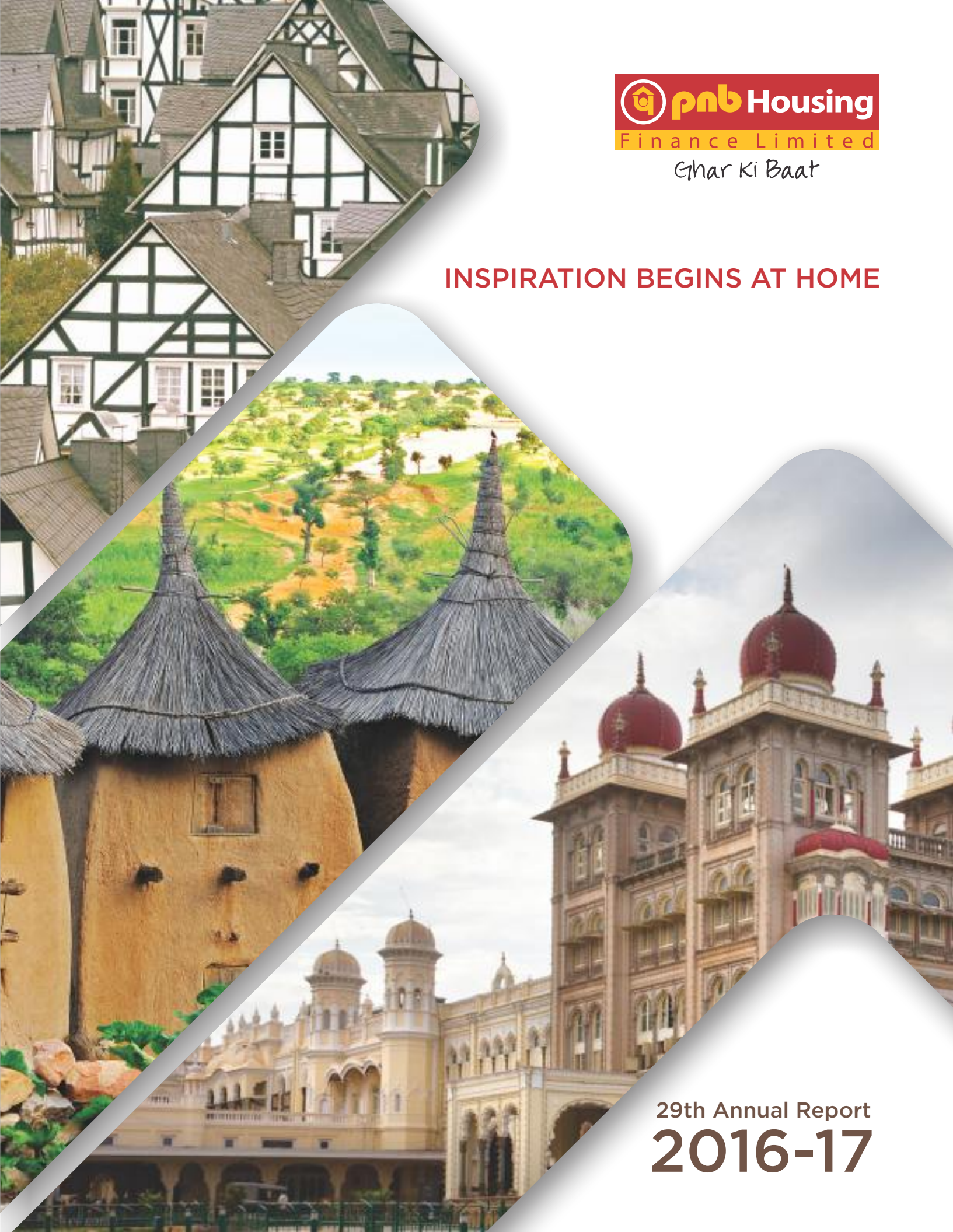
pnb Housing Finance Limited

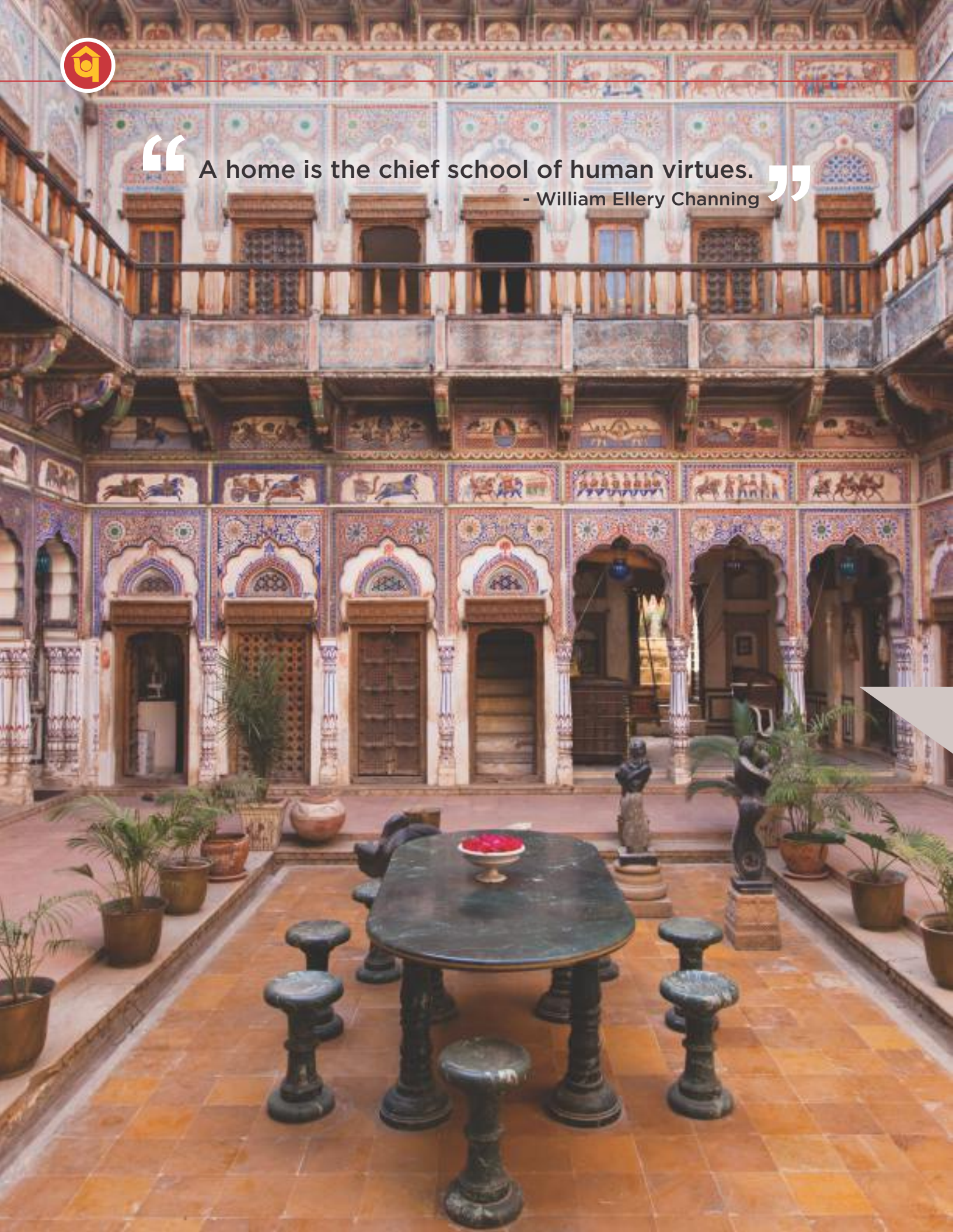
Ghar Ki Baat

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