



New Delhi, the 19th July, 2018

Notification No. NHB.HFC.ATC.DIR.2/MD&CEO/2018 - In exercise of the powers conferred by sections 30A and 31 of the National Housing Bank Act, 1987 (53 of 1987) and of all the powers enabling it in this behalf, the National Housing Bank, having considered it necessary in the public interest, and on being satisfied that for the purpose of enabling it to regulate the housing finance system of the country to its advantage, it is necessary so to do, hereby directs that the Housing Finance Companies- Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016 shall, with immediate effect, be amended in the following manner, namely -

(i) Amendment to Paragraph 3

Item (b) of clause (i) of Paragraph 3 of the Housing Finance Companies - Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016, shall be substituted as under -

(b) any change in the shareholding of an HFC accepting/holding public deposits, including progressive increases over time, which would result in acquisition / transfer of shareholding of 10 percent or more of the paid up equity capital of the HFC by/to a foreign investor

or

any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition / transfer of shareholding of 26 per cent or more of the paid up equity capital of the HFC.

Provided that, prior approval would not be required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares/reduction in capital where it has approval of a competent Court. However, the same is to be reported to the National Housing Bank not later than one month from the date of its occurrence;

(ii) Amendment to Paragraph 5

In paragraph 5 of the Housing Finance Companies - Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016, the following shall be inserted at the end -

Provided that nothing contained in this paragraph shall apply in case of any change in shareholding of an HFC accepting/holding public deposits, including progressive increases over time, which would result in acquisition/transfer of shareholding of 10 percent or more and less than 26% of the paid up equity capital of the HFC by/to a foreign investor.

Sriram Kalyanaraman
Managing Director & Chief Executive Officer