

Independent Auditor’s Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**The Board of Directors
Poonawalla Housing Finance Limited
(Formerly Magma Housing Finance Limited)**

1. We have reviewed the accompanying statement of Unaudited Financial Results of Poonawalla Housing Finance Limited (Formerly Magma Housing Finance Limited) (the “company”) for quarter ended June 30, 2022 (the “Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
2. This statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ (“Ind AS 34”) prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, Circular No. NHB (ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 issued by the National Housing Bank (“the NHB Circular”) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matter:

5. The figures for quarter ended June 30, 2021 have been considered from the unmodified review reports issued by the erstwhile auditors, Walker Chandiok & Co LLP in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Our review report on the Statement is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN:22017532AN0IHK2830

CHINTAMAN
MAHADEV
DIXIT



Digitally signed by
CHINTAMAN
MAHADEV DIXIT
Date: 2022.07.25
13:54:13 +05'30'

C. M. Dixit
Partner
Membership Number: 017532
Pune, July 25, 2022

**POONAWALLA HOUSING FINANCE LIMITED
(FORMERLY MAGMA HOUSING FINANCE LIMITED)**
 Statement of Unaudited Financial Results for the quarter ended 30 June 2022

(₹ in Crores)

Particulars	Quarter ended			
	30 June 2022	31 March 2022	30 June 2021	Year ended 31 March 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Revenue from Operations				
(a) Interest income	131.03	122.64	99.96	448.14
(b) Fees and commission income	4.16	5.23	2.28	15.37
(c) Net gain on fair value changes	1.74	0.55	0.04	0.86
(d) Net gain on de-recognition of financial instruments under amortised cost category	0.96	-	-	-
Total revenue from operations	137.89	128.42	102.28	464.37
(e) Other income	4.36	1.83	2.03	5.78
Total Income	142.25	130.25	104.31	470.15
2. Expenses				
(a) Finance costs	54.63	48.29	53.37	207.53
(b) Net loss on derecognition of financial instruments	-	5.47	-	5.47
(c) Impairment on financial instruments	2.38	(4.74)	11.44	8.95
(d) Employee benefits expense	31.40	30.57	20.76	103.79
(e) Depreciation and amortisation expense	1.39	1.20	0.59	3.81
(f) Other expenses	12.20	13.18	6.55	39.44
Total expenses	102.00	93.97	92.71	368.99
3. Profit/(Loss) before tax (1-2)	40.25	36.28	11.60	101.16
4. Tax expense				
(a) Current tax	9.26	5.06	0.39	23.89
(b) Deferred tax (credit)/charge	0.82	2.13	2.53	(0.12)
Total tax expense	10.08	7.19	2.92	23.77
5. Profit/(Loss) for the period (3-4)	30.17	29.09	8.68	77.39
6. Other comprehensive income				
(a) (i) Items that will not be reclassified to profit or loss	0.44	(0.25)	(0.07)	(0.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.11)	0.06	0.02	0.15
(b) (i) Items that will be reclassified to profit or loss	-	7.62	1.48	8.30
- Cash flow hedge reserve	-	(0.03)	0.03	(0.08)
- Changes in fair valuation of financial assets	-	7.65	1.45	8.38
(ii) Income tax relating to items that will be reclassified to profit or loss	-	(1.92)	(0.38)	(2.09)
- Cash flow hedge reserve	-	0.01	(0.01)	0.02
- Changes in fair valuation of financial assets	-	(1.93)	(0.37)	(2.11)
Total other comprehensive income	0.33	5.51	1.05	5.77
7. Total comprehensive income for the period (5+6)	30.50	34.60	9.73	83.16
8. Paid-up equity share capital (Face value of ₹ 10/- each)	251.79	251.79	249.82	251.79
9. Earnings per share (not annualised)				
(a) Basic (in ₹)	1.20	1.23	0.45	3.27
(b) Diluted (in ₹)	1.19	1.23	0.44	3.26

**POONAWALLA HOUSING FINANCE LIMITED
(FORMERLY MAGMA HOUSING FINANCE LIMITED)**
 Statement of Unaudited Financial Results for the quarter ended 30 June 2022

Notes :

- 1] The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Poonawalla Housing Finance Limited (Formerly Magma Housing Finance Limited) ("the Company") at their respective meetings held on 25 July 2022.
- 2] The unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 3] The unaudited financial results have been subjected to limited review by the statutory auditors of the Company. The statutory auditors have expressed an unmodified conclusion on these financial results.
- 4] The Company has continued the process of risk assessment on its credit exposures as at 30 June 2022 and accordingly, in addition to the model determined ECL provision, the Company carries a management overlay of ₹ 5.53 crores (₹ 12.02 crores as on March 31 2022) against future potential impact of COVID -19, which basis management estimate is adequate to cover any future impact of COVID 19 on the financial assets.
The underlying forecasts and assumptions applied by the Company in determination of ECL provision (including management overlay provisions) are subject to uncertainties which are often outside the control of the Company and accordingly, actual results may differ from these estimates. Further, considering the overall improvement in the business volume, the management believes that there will be no material impact on the business operations of the Company.
- 5] RBI vide circular dated November 12, 2021 and dated February 15,2022 – “Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarifications” has clarified certain aspects of the extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across the lending institutions. The Company has taken steps to comply with the norms / changes for regulatory reporting, as applicable. Such clarification has no impact on the financial results for the quarter ended 30 June 2022 as the Company continues to prepare the financial results in accordance with the applicable Ind AS guidelines and the RBI circular dated March 13, 2020 – “Implementation of Indian Accounting Standards”.
- 6] The Company is primarily engaged in mortgage-based finance and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Act.
- 7] As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed Non-Convertible Debentures issued by the Company are fully secured by way of hypothecation over the book debts/ loan receivables and/ or by mortgage created over the immovable property, to the extent as stated in the respective information memorandum. Further, the Company has maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount at all times of the non-convertible debentures issued by the Company.
- 8] The Government of India has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration of Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 9] Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(a) Details of transfer through assignment in respect of loans not in default during the quarter ended 30 June 2022:

Entity/Assignee	NIL
Count of Loan accounts Assigned	
Amount of Loan accounts Assigned	
Retention of beneficial economic interest (MRR)	
Weighted Average Maturity (Residual Maturity)	
Weighted Average Holding Period	
Coverage of tangible security coverage	
Rating wise distribution of rated loans	

(b) Details of acquired through assignment in respect of loans not in default during the quarter ended 30 June 2022:

Entity/Assignor	HFC/NBFC
Count of Loan accounts Assigned	1592 Loans
Amount of Loan accounts Assigned	₹ 176.08 Crores
Retention of beneficial economic interest (MRR)*	10%
Weighted Average Maturity (Residual Maturity)**	153 Months
Weighted Average Holding Period	11 Months
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

* Retained by the originator

** At the time of acquisition

(c) Details of stressed loans transferred during the quarter ended 30 June 2022

Particulars	To ARCs	To permitted transferees	To other transferees
No of accounts	329	-	-
Aggregate principal outstanding of loans transferred (at the time of transfer)*	₹ 40.11 Crores	-	-
Weighted average residual tenor of the loans transferred	159.03 Months	-	-
Net book value of loans transferred (at the time of transfer)*	₹ 30.33 Crores	-	-
Aggregate consideration	₹ 33.09 Crores	-	-
Additional consideration realized in respect of accounts transferred in earlier years	Nil	-	-

* The above figures includes sale of portfolio which have been written off in the past period. Hence, the net book value of such portfolio is Nil as on date of sale.

**POONAWALLA HOUSING FINANCE LIMITED
(FORMERLY MAGMA HOUSING FINANCE LIMITED)**
Statement of Unaudited Financial Results for the quarter ended 30 June 2022

- 10] During the quarter ended 30 June 2022, the Nomination and Remuneration Committee (NRC) of the Board of Directors has granted 6,050,000 options to the eligible employees under Tranche-1 of PHFL Employee Stock Option Plan 2021. The NRC at its meeting held on 13 July 2022 has also amended the vesting schedule of the options granted under Tranche-1. Further, the NRC at its meeting held on 13 July 2022, has granted 11,80,000 options to the eligible employees under Tranche-2 of PHFL Employee Stock Option Plan 2021.
- 11] The NRC at its meeting held on 13 July 2022 has allotted 493,333 equity shares of the face value of ₹10/- each to an eligible employee of the Company under Restricted Stock Option Plan 2018 as amended from time to time. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 252,287,783 equity shares of ₹10/- each aggregating to ₹252.29 crores. The equity shares issued and allotted as aforesaid rank paripassu with the existing equity shares of the Company in all respect. Pursuant to the above allotment, Poonawalla Fincorp Limited (Formerly, Magma Fincorp Limited) (PFL) holds 99.02% shares in the Company and the Company continues to be a subsidiary of PFL.
- 12] The above financial results have been prepared in compliance with the Regulation 52 of SEBI (Listing Obligations and Disclosures Requirement) 2015 as amended from time to time.
- 13] Figures for the previous year/period have been regrouped and / or reclassified whenever considered necessary.

By order of the Board
For **Poonawalla Housing Finance Limited**
(Formerly Magma Housing Finance Limited)

**MANISH
JAISWAL**

Digitally signed by
MANISH JAISWAL
Date: 2022.07.25
13:46:11 +05'30'

Manish Jaiswal
Managing Director & Chief Executive Officer
DIN: 07859441

Place : Mumbai
Date : 25 July 2022

Registered Office : 602, 6th Floor, Zero One IT Park, Survey No. 79/1, Ghorpadi Mundhwa Road, Pune-411 036, Maharashtra
Website : www.poonawallahousing.com; **CIN :** U65922PN2004PLC208751

**POONAWALLA HOUSING FINANCE LIMITED
(FORMERLY MAGMA HOUSING FINANCE LIMITED)**
Disclosure in compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter ended 30 June 2022

Sl. No.	Particulars	Quarter ended		Year ended
		30 June 2022	30 June 2021	31 March 2022
		(Unaudited)	(Unaudited)	(Audited)
a.	Debt-equity ratio (Total Debts / Shareholder's fund)	3.20	2.12	2.96
b.	Debt service coverage ratio	Not Applicable		
c.	Interest service coverage ratio	Not Applicable		
d.	Debenture redemption reserve	Not Applicable		
e.	Net worth (₹ in Crores)	1,114.48	1,006.70	1,081.79
f.	Net profit after tax (₹ in Crores)	30.17	8.68	77.39
g.	Earnings per share - Basic and Diluted (in ₹) (Not annualised)			
	(i) Basic :	1.20	0.45	3.27
	(ii) Diluted :	1.19	0.44	3.26
h.	Current ratio	Not Applicable		
i.	Long term debt to working capital	Not Applicable		
j.	Bad debts to Account receivable ratio as at	0.03%	1.01%	0.78%
k.	Current liability ratio	Not Applicable		
l.	Total debts to total assets as at	74.74%	66.34%	72.89%
m.	Debtors turnover	Not Applicable		
n.	Inventory turnover	Not Applicable		
o.	Operating margin (%)	Not Applicable		
p.	Net profit margin (%)	21.21%	8.32%	16.46%
q.	Sector specific equivalent ratios, as applicable			
	(i) Capital Adequacy Ratio as at	40.85%	57.63%	42.77%
	(ii) Gross Stage 3 Ratio as at	0.87%	1.95%	0.96%
	(iii) Net Stage 3 Ratio as at	0.54%	1.25%	0.60%

By order of the Board
For Poonawalla Housing Finance Limited
 (Formerly Magma Housing Finance Limited)

MANISH JAISWAL
 Digitally signed by
 MANISH JAISWAL
 Date: 2022.07.25
 13:46:50 +05'30'

Manish Jaiswal
 Managing Director & Chief Executive Officer
 DIN: 07859441

Place : Mumbai
 Date : 25 July 2022

Registered Office : 602, 6th Floor, Zero One IT Park, Survey No. 79/1, Ghorpadi Mundhwa Road, Pune-411 036, Maharashtra
Website : www.poonawallahousing.com; **CIN :** U65922PN2004PLC208751