

The BSE Limited,  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Limited,  
Listing Department  
“Exchange Plaza”  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Scrip Code: 540173

Symbol: PNBHOUSING

Dear Sirs,

**Sub: Press Release**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Press Release of the Company for the quarter and year ended March 31, 2020.

A copy of the same is placed on the website of the Company [www.pnbhousing.com](http://www.pnbhousing.com).

You are requested to take note of the above and arrange to bring this to the notice of all concerned.

Thanking You,

For PNB Housing Finance Limited

  
Sanjay Jain  
Company Secretary & Head, Compliance  
Membership No.: F2642



**Press Release**

For Immediate Release

13<sup>th</sup> June 2020, New Delhi

**Consolidated audited Financial Results for Q4 & FY 2019-20 Ended 31<sup>st</sup> March 2020**

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March 2020. The financial numbers are based on IndAS.

**Financial performance (Q4 FY19-20 vs Q4 FY18-19)**

- Net Interest Income at INR 488.1 crore vs INR 609.7 crore registering a decline of 19.9%.
- Pre-provision Operating Profit decreased by 23.1% to INR 427.6 crore from INR 556.4 crore.
- Profit after Tax degrew by 163.7% primarily on account of higher provisions including Covid-19 provision of INR 471 crore resulting in the loss of INR 242.1 crore from profit of INR 379.7 crore. Adjusted for Covid-19 provision the PAT for Q4 FY19-20 would have been approx. INR 122 crore
- The Spread on loans for Q4 FY19-20 stood at 2.23% compared to 2.59% for Q4 FY18-19.
- Net Interest Margin for Q4 FY19-20 stood at 2.61% compared to 3.18% for Q4 FY18-19.
- Gross Margin, net of acquisition cost, for Q4 FY19-20 stood at 2.88% compared to 3.51% for Q4 FY18-19.

**Financial performance (FY19-20 vs FY18-19)**

- Net Interest Income at INR 2,308.1 crore vs INR 2,063.5 crore registering a growth of 12%.
- Pre-provision Operating Profit increased by 7% to INR 2,062.4 crore from INR 1,923.3 crore.
- Profit after Tax decreased by 45.8% to INR 646.2 crore from INR 1,191.5 crore. Adjusted for Covid-19 provision the PAT for FY19-20 would have been approx. INR 1,010 crore
- The Spread on loans for FY19-20 stood at 2.46% compared to 2.35% for FY18-19. Excluding the assignment income and other Ind AS adjustment i.e. as per IGAAP the Spread on loans for 2019-20 is 2.11% compared to 1.98% for FY18-19.
- Net Interest Margin for FY19-20 stood at 2.98% compared to 2.93% for FY18-19.
- Gross Margin, net of acquisition cost, for FY19-20 stood at 3.21% compared to 3.34% for FY18-19.
- The net worth as on 31<sup>st</sup> March 2020 stood at INR 7,998 crore.
- The cumulative ECL provision as on 31<sup>st</sup> March 2020 is INR 1,766 crore resulting in the total provision to assets ratio at 2.61%. The total provision coverage ratio is at 95%
- Return on Asset is at 0.80% during FY19-20 as compared to 1.61% during FY18-19
- Gearing as on 31<sup>st</sup> March 2020 was 8.53x compared to 9.59x as on 31<sup>st</sup> March 2019.
- Return on Equity of 8.12% for FY2019-20 vis a vis 17.44% for FY2018-19.

**Business Operations**

- Disbursements stood at INR 18,626 crore during FY19-20 compared to INR 36,079 crore in FY18-19. Retail disbursements degrew by 35% YoY to INR 17,111 crore during FY19-20. Corporate Finance disbursements degrew by 84% YoY to INR 1,515 crore during FY19-20.
- Asset under Management (AUM) is at INR 83,346 crore as on 31<sup>st</sup> March 2020 moved from INR 84,722 crore as on 31<sup>st</sup> March 2019 registering a decline of 2% during the year with share of Retail Loans being 82% and Corporate loans being 18% of the AUM. During FY19-20, the Company sold corporate book loans worth INR 2,307 crore. The AUM reported is net of the Sell down portfolio.

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Phone: 011 – 23736857, E-mail: [loans@pnbhfl.com](mailto:loans@pnbhfl.com), Website: [www.pnbhfl.com](http://www.pnbhfl.com)

CIN: L65922DL1988PLC033856

- Loan Assets degrew by 9% YoY to INR 67,571 crore as on 31<sup>st</sup> March 2020 from INR 74,023 crore as on 31<sup>st</sup> March 2019.

### **Moratorium**

- On 27<sup>th</sup> March 2020, in order to mitigate the burden of debt servicing and provide relief to borrowers, Reserve Bank of India announced moratorium on loans for three months from March 2020 to May 2020 (Phase 1). This was further extended by another three months upto August 2020 (Phase 2).
- Adopted Opt-in route for accepting customer requests
- As on 5<sup>th</sup> June 2020, under phase 1, approx. 56% of Company's AUM have opted for moratorium whereas under phase 2 approx. 31% of Company's AUM opted for moratorium indicating a sharp drop in the customers requesting for moratorium.
  - Retail Loans under moratorium phase 1 account for 49% of the Retail AUM and 20% under moratorium phase 2

### **Borrowings**

- Total borrowings are at INR 68,216 crore as on 31<sup>st</sup> March 2020 from INR 72,362 crore as on 31<sup>st</sup> March 2019 registering a decline of 6% during the year.
- The Deposit portfolio grew by 15% to INR 16,470 crore as on 31<sup>st</sup> March 2020 from INR 14,315 crore as on 31<sup>st</sup> March 2019 with expanding retail penetration.
- Total assigned loans outstanding as on 31<sup>st</sup> March 2020 is at INR 15,775 crore.

### **Distribution and Service Network**

- As on 31<sup>st</sup> March 2020 the Company has 105 branches with presence in 64 unique cities and 23 Hubs. This includes 3 branches, which were made operational during the year including 1<sup>st</sup> ever deposit branch opened during the second quarter.
- The Company also services the customers through 28 outreach locations.

### **Asset Quality**

- Gross Non-Performing Assets (NPA) at an AUM level is at 2.29% and 2.75% at Loan Assets as on 31<sup>st</sup> March 2020. Retail book GNPA stood at 1.25% and Corporate book GNPA stood at 8.18%.
- Net NPA stood at 1.75% of the Loan Assets as on 31<sup>st</sup> March 2020 against 0.38% as on 31<sup>st</sup> March 2019.

### **Capital to Risk Asset Ratio (CRAR)**

- The Company's CRAR based on IGAAP stood at 17.98% as on 31<sup>st</sup> March 2020, of which Tier I capital was 15.18% and Tier II capital was 2.80% compared to 13.98% with Tier I at 11.00% and Tier II at 2.98% as on 31<sup>st</sup> March 2019.
- The risk-weighted assets as on 31<sup>st</sup> March 2020 stood at INR 49,143 crore.

### **Credit Rating**

- PNB Housing Finance Fixed Deposit programme has been rated "FAA+" by CRISIL. The Company's Commercial Paper (CP) is rated at "A1(+)" by CARE & CRISIL and Non-Convertible

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Debenture (NCD) are rated at “AA+” by CARE and “AA” by India Ratings, CRISIL and ICRA. Further the bank loans long term rating is “AA+” by CARE and “AA” by CRISIL.

### **Covid-19 Update**

As advised by the Government, PNB Housing has complied with all the directives issued with regards to Covid-19. As a result, the Company closed all its offices including branches, outreaches, hubs, zonal offices and central office effective March 2020.

During lockdown, the Company immediately activated its Business Continuity Plan (BCP) and seamlessly shifted to Work from Home. During the lockdown period, the Company leveraged on its robust technology to ensure the business activities viz. customer service, recovery, liquidity management, treasury, EMI collection etc. are carried out from home. While doing so, the Company ensured to safeguard its systems from any data leakage and data security.

The Company took measures with the help of technology, so that our customers are timely responded during the lockdown. While our teams worked from home, different mode of communication channels was made available to our customers. During the lockdown period, customer engagement was effectively maintained with service TAT of 95%.

98% of the customers use electronic mode to repay their EMIs. During the lockdown, 13 EMI cycles were handled seamlessly from home.

Collections was an impacted area during the lockdown. The Company enhanced its collection efforts by using cross functional teams however due to the lockdown various activities viz property possession, auction, field collections etc. could not be completed.

Loan disbursements were impacted in the last 10 days of the lockdown period of March 2020. The disbursement for Q4 FY19-20 were at INR 2,826 crore and adjusting for lockdown, the disbursements in Q4 FY20 would have been around INR 3,725 crore. The Company on account of Covid-19, made additional provision of INR 471 crore and based on the current indication of future economic condition, the Company considers ECL provision to be adequate.

Presently, the Company is well capitalised and has maintained adequate liquidity. The Company also continue to raise funds from banks, refinancing from NHB and fixed deposits. The Company did not opt for moratorium from its lenders and serviced its financial obligations in a timely manner.

There is no impact on internal financial controls due to the COVID-19 situation.

The Company started opening up its offices from April end onwards and as of now over 90% of offices are operational. The Company ensured adequate hygiene and safe distancing protocols are met. The offices are regularly sanitised, thermal screening is done for all the employees and visitors, masks, and sanitisers have been made available for employees at each office. The teams are working on rotation basis to ensure business continuity. The Company has put in place strict monitoring mechanism for safety and precautions in terms of the guidelines issued by the Government.

Amidst many priorities, as a socially responsible corporate, the Company came forward to support the nation. The Company allocated around INR 2.04 crores towards Covid-19 relief in the Country. The support was on the following:

- Partnered with National Centre for Bio-Sciences for research on developing washable PPE, COVID diagnostic tests and supporting clinical assessment for rapid screening of new drugs
- Contributed to the PM relief fund and PM CARES fund
- Supported provision of ‘essentials kit’ to migrant worker families

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- Undertaken a research & development program (Partner-IIT Delhi) on development of sustainable PPE material.

The Company continues to closely monitor the developing situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. The extent to which the COVID 19 pandemic will impact the company's future results will depend on developments, which are highly uncertain, including among other thing, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions. However, operating in the secured mortgage asset business we believe we hold a much stable asset class which can withstand the pandemic relatively better compared other asset classes. The Company will continue to navigate through this challenging environment with a focus on the wellbeing of its employees and business continuity, while ensuring least impact on the business-related routine activities.

The Company will keep all its stakeholders updated on significant developments pertaining to impact of COVID 19 on its business.

#### **Commenting on the performance Mr. Neeraj Vyas, Managing Director & CEO said:**

“With focus on strengthening the balance sheet, the Company took internal measures and built sufficient provisions. As a result, the total provision to total asset ratio more than tripled YoY at 2.62% as on 31<sup>st</sup> March 2020. The Capital adequacy ratio expanded by 400 bps YoY to 17.98% with Tier-I at 15.18% as on 31<sup>st</sup> March 2020 in comparison to 31<sup>st</sup> March 2019 of 13.98% with Tier-I at 11.00%

The Company will focus on the lower risk weight retail asset business and would bring down the share of its corporate book in the AUM. The Company is also actively working towards rationalizing its operating expense.

During the lockdown on account of Covid-19, the Company activated its Business Continuity Plan (BCP) and focussed on employee welfare, customer service, collections and treasury with the help of robust technology that ensured secured access to employees working from home. Further, the Company adopted conservative stand and created additional Covid-19 provision of INR 471 crore during the quarter representing 27% of the total provision as on 31<sup>st</sup> March 2020.”

#### **About PNB Housing Finance Limited**

PNB Housing Finance Limited (NSE: PNBHOUSING, BSE: 540173) is promoted by Punjab National Bank and is a registered Housing Finance Company with National Housing Bank (NHB). The Company got listed on the Indian stock exchanges on 7<sup>th</sup> November, 2016. The Company's asset base comprises retail loans and corporate loans. The retail business focusses on organized mass housing segment financing for acquisition or construction of houses. In addition, it also provides loan against properties and loans for purchase & construction of non-residential premises. Corporate loans are mainly to developers for construction of residential / commercial properties, corporate term loans and lease rental discounting.

PNB Housing Finance is a deposit taking Housing Finance Company.

#### **Safe Harbour Statement**

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this release is only current as of its date. Certain statements made in this

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release may not be based on historical information or facts and may be “forward looking statements”, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This release does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The Company may alter, modify or otherwise change in any manner the content of this release, without obligation to notify any person of such revision or changes. This release cannot be copied and/or disseminated in any manner.

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**Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2020**

(₹ in Crore)

S.no.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		(Reviewed)			(Audited)	
	<b>Revenue from Operations</b>					
(i)	Interest Income	1,802.57	1,890.35	1,892.89	7,688.21	6,792.86
(ii)	Fees and commission Income	78.38	47.69	108.00	298.84	449.44
(iii)	Net gain on fair value changes	62.74	32.50	50.39	158.64	128.93
(iv)	Income on derecognised (assigned) loans	2.75	104.22	93.93	336.15	308.09
<b>I</b>	<b>Total Revenue from Operations</b>	<b>1,946.44</b>	<b>2,074.76</b>	<b>2,145.21</b>	<b>8,481.84</b>	<b>7,679.32</b>
<b>II</b>	<b>Other Income</b>	<b>5.40</b>	<b>0.03</b>	<b>2.98</b>	<b>7.71</b>	<b>3.90</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>1,951.84</b>	<b>2,074.79</b>	<b>2,148.19</b>	<b>8,489.55</b>	<b>7,683.22</b>
	<b>Expenses</b>					
(i)	Finance Cost	1,379.97	1,461.03	1,427.51	5,874.95	5,166.37
(ii)	Impairment on financial instruments & Write-offs	754.84	180.79	10.11	1,251.37	188.95
(iii)	Employee Benefit Expenses	35.24	58.87	91.31	233.06	303.88
(iv)	Depreciation and Amortisation	14.54	18.13	9.15	65.85	31.37
(v)	Fees and commission expense	1.85	0.95	7.94	8.92	54.62
(vi)	Other Expenses	92.64	56.77	57.10	244.39	203.64
<b>IV</b>	<b>Total Expenses</b>	<b>2,279.08</b>	<b>1,776.54</b>	<b>1,603.12</b>	<b>7,678.54</b>	<b>5,948.83</b>
<b>V</b>	<b>Profit Before Tax (III-IV)</b>	<b>(327.24)</b>	<b>298.25</b>	<b>545.07</b>	<b>811.01</b>	<b>1,734.39</b>
	Tax Expense:					
	-Current Tax	87.97	91.20	133.65	389.24	503.48
	-Deferred Tax (net)	(173.15)	(29.97)	31.65	(224.47)	39.39
<b>VI</b>	<b>Total Tax Expense</b>	<b>(85.18)</b>	<b>61.23</b>	<b>165.30</b>	<b>164.77</b>	<b>542.87</b>
<b>VII</b>	<b>Net Profit after Tax (V-VI)</b>	<b>(242.06)</b>	<b>237.02</b>	<b>379.77</b>	<b>646.24</b>	<b>1,191.52</b>
<b>VIII</b>	<b>Other Comprehensive Income (net of taxes)</b>	<b>(81.95)</b>	<b>43.18</b>	<b>(31.33)</b>	<b>(55.30)</b>	<b>(102.33)</b>
<b>IX</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>(324.01)</b>	<b>280.20</b>	<b>348.44</b>	<b>590.94</b>	<b>1,089.19</b>
	<b>Earnings per Share (of ₹ 10 each)*</b>					
	-Basic (₹)	(14.39)	14.10	22.68	38.45	71.19
	-Diluted (₹)	(14.38)	14.06	22.54	38.41	70.76
	Paid-up Equity Share Capital (Face value ₹ 10)	168.19	168.19	167.47	168.19	167.47
	Reserve (excluding Revaluation Reserves) as at March 31				7,829.58	7,376.43

\* EPS for the quarters are not annualised

**Notes:**

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**1. Consolidated Statement of Assets and Liabilities**

(₹ in Crore)

S.no.	Particulars	As at	
		31-Mar-20	31-Mar-19
(Audited)			
<b>ASSETS</b>			
1	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	8,514.32	4,033.96
(b)	Bank Balance other than (a) above	0.07	0.11
(c)	Derivative financial instruments	125.66	-
(d)	Trade Receivables	44.90	38.88
(e)	Loans	66,628.02	74,287.88
(f)	Investments	2,075.74	4,560.67
(g)	Other Financial Assets	701.70	512.99
	<b>Subtotal - Financial Assets</b>	<b>78,090.41</b>	<b>83,434.49</b>
2	<b>Non - Financial Assets</b>		
(a)	Current tax assets (Net)	61.01	115.60
(b)	Deferred tax Assets (Net)	285.94	60.99
(c)	Investment Property	0.55	0.56
(d)	Property, Plant and Equipment	105.31	78.34
(e)	Right of use assets	119.80	-
(f)	Capital work-in-progress	1.23	3.81
(g)	Other Intangible assets	25.42	24.21
(h)	Intangible assets under developments	2.83	1.36
(i)	Other non-financial assets	30.67	18.52
(j)	Assets held for sale	206.56	131.11
	<b>Subtotal - Non - Financial Assets</b>	<b>839.32</b>	<b>434.50</b>
	<b>TOTAL - ASSETS</b>	<b>78,929.73</b>	<b>83,868.99</b>
<b>LIABILITIES</b>			
1	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	-	210.80
(b)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	86.92	127.16
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c)	Debt Securities	17,836.46	29,604.94
(d)	Borrowings (Other than Debt Securities)	32,328.12	26,793.19
(e)	Deposits	16,131.94	14,023.04
(f)	Subordinated Liabilities	1,438.58	1,437.68
(g)	Other financial liabilities	1,689.95	2,091.26
	<b>Subtotal - Financial Liabilities</b>	<b>69,511.97</b>	<b>74,288.07</b>
2	<b>Non Financial Liabilities</b>		
(a)	Provisions	18.94	25.26
(b)	Other non-financial liabilities	1,401.05	2,011.76
	<b>Subtotal - Non Financial Liabilities</b>	<b>1,419.99</b>	<b>2,037.02</b>
3	<b>EQUITY</b>		
(a)	Equity Share capital	168.19	167.47
(b)	Other Equity	7,829.58	7,376.43
	<b>Subtotal - Equity</b>	<b>7,997.77</b>	<b>7,543.90</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>78,929.73</b>	<b>83,868.99</b>

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## 2. Cash Flow Statement

(INR Crore)

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
	(Audited)	
<b>Cash flow from operating activities</b>		
Profit before tax	811.01	1,734.39
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	65.85	31.37
Loss on sale of property, plant and equipment	0.61	0.12
Impairment on financial instruments	1,173.15	162.15
Impairment/ (reversal of impairment) on assets held for sale	55.80	(0.81)
Net loss on financial asset at fair value through profit and loss	0.47	(3.80)
Share based payment expense	21.06	39.25
Effective interest rate on financial assets	(21.83)	(31.13)
Effective interest rate on financial liabilities	68.75	41.99
Income on derecognised (assigned) loans	(181.48)	(268.61)
Derivative impact of external commercial borrowings	(383.37)	16.05
Interest on lease	11.03	-
Re-measurement on defined benefit plan	0.79	-
Bad debts Written-off	78.22	26.80
	889.05	13.38
Operating profits before changes in working capital	1,700.06	1,747.77
<b>Working Capital changes</b>		
Trade payables	(40.24)	7.56
Provision	(7.98)	6.18
Financial liabilities	(539.78)	1,236.80
Non financial liabilities	(599.03)	371.86
Loans at amortised cost	6,430.92	(17,280.18)
Trade receivable	(6.02)	(38.55)
Other financial asset	(6.46)	(3.56)
Other non financial asset	(12.99)	1.64
Investments (Net)	2,485.53	(2,144.30)
Asset held for sale	(131.25)	48.40
Other bank balances	0.04	(0.08)
	7,572.74	(17,794.23)
<b>Cash generated / (used) in operations</b>	<b>9,272.80</b>	<b>(16,046.46)</b>
Taxes paid (net of refunds)	(344.30)	(570.62)
<b>Net cash generated / (used) in operating activities</b>	<b>8,928.50</b>	<b>(16,617.08)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipments and other intangible assets	(63.75)	(58.67)
Capital work-in-progress and intangible assets under development (net)	1.11	4.52
Sale of property, plant and equipments and other intangible assets	0.11	0.18
	(62.53)	(53.97)
<b>Net cash used in investing activities</b>	<b>(62.53)</b>	<b>(53.97)</b>
<b>Cash flow from financing activities</b>		
<b>Proceeds from borrowings</b>		
Debt securities & subordinated liabilities	3,000.00	1,440.70
Borrowings from bank	15,989.83	24,338.50
Deposits (net)	2,107.97	2,675.64
Commercial paper	-	33,575.00
<b>Repayment of borrowings</b>		
Commercial paper	(7,534.00)	(36,025.00)
Debt securities & subordinated liabilities	(7,308.00)	(530.00)
Borrowings from bank	(10,448.29)	(7,434.91)
Lease Liability	(35.02)	-
Proceeds from issue of share capital	0.72	0.88
Share premium received	23.55	28.95

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Dividend paid (including dividend distribution tax)	(182.37)	(181.70)
<b>Net cash (used) / from financing activities</b>	<b>(4,385.61)</b>	<b>17,888.06</b>
<b>Net changes in cash &amp; cash equivalents</b>	<b>4,480.36</b>	<b>1,217.01</b>
Cash or cash equivalents at the beginning of the year	4,033.96	2,816.95
Cash or cash equivalents at the end the of the year	8,512.32	4,033.96
<b>Net increase of cash &amp; cash equivalents during the year</b>	<b>4,478.36</b>	<b>1,217.01</b>

Note : Figures in bracket denotes application of cash

- The consolidated financial results have been prepared in accordance with Ind AS 110 – Consolidated Financial Statements, prescribed under section 133 of the Companies Act, 2013 (the “Act”) read with the relevant rules issued thereunder and the other relevant provisions of the Act.
- Assets under management (AUM) have decreased from ₹ 84,722 crore as on March 31, 2019 to ₹ 83,346 crore as on March 31, 2020 registering a decline of 2%. Loan Assets have decreased from ₹ 74,023 crore as on March 31, 2019 to ₹ 67,571 crore as on March 31, 2020 registering a decline of 9%.
- Gross NPA as on March 31, 2020 is 2.75% as against 0.48% as on March 31, 2019. Net NPAs of the Company is 1.75% of the loan assets as on March 31, 2020, against 0.38% of the loan assets as on March 31, 2019.
- Effective April 01, 2019, the Company adopted Ind AS 116 “Leases” as notified by the Ministry of Corporate Affairs (MCA) and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments. The overall impact on the profit for the year is insignificant.
- The Company is principally engaged in the business of providing loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business and accordingly, there are no separate reportable segments, as per the Ind AS 108 “Operating Segment” specified under section 133 of the Companies Act, 2013.
- Pursuant to Taxation Laws (Amendment) Ordinance 2019, dated September 20, 2019, the Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. The tax expense for the quarters and year ended March 31, 2020 is after considering the impact of the revised tax rates.
- The outbreak of COVID 19 pandemic across the globe and India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. On March 11, 2020, the World Health Organisation declared that novel coronavirus (COVID-19) as a pandemic. Besides the toll that this outbreak has had on human life, it has also disrupted the social, economic and financial structures of the entire world. In India, from March 25, 2020 to May 31, 2020, the central government declared a national lockdown, restricting the movement of the entire population of the country as a preventive measure against the spread of COVID-19.

Reserve Bank of India (RBI) has issued guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and Apr 17, 2020 and in accordance therewith, the Company has offered a moratorium on the payment of instalments falling due between March 01, 2020 and May 31, 2020 to all eligible borrowers classified as standard as on February 29, 2020. On May 22, 2020, The RBI

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announced an extension of the moratorium on loan EMIs by three months, i.e. till August 31, 2020. Based on the current indicators of future economic conditions, the Company has maintained an incremental ECL provision of ₹ 471 crore for COVID 19 in addition to the normal ECL provision and with this inclusion, the Company believes ECL provision to be adequate.

The extent to which the COVID 19 pandemic will impact the company's future results will depend on developments, which are highly uncertain, including among other thing, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions. However, operating in the secured mortgage asset business we believe we hold a much stable asset class which can withstand the pandemic relatively better compared other asset classes.

10. The Company is a Large Corporate as per criteria stipulated under SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 and necessary disclosure has been made to the stock exchange.
11. During the quarter ended March 31, 2020, there were no transactions in the nature of exceptional or extraordinary items.
12. Figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures for the full financial year and the reviewed year to date figure upto the third quarter of the respective financial years.
13. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable.

The Statutory Auditors of the Company have audited the consolidated financial results for the year ended March 31, 2020. The above consolidated financial results has been reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on June 13, 2020.

**For and on behalf of the Board of Directors**

Date : June 13, 2020  
Place : New Delhi

Neeraj Vyas  
Managing Director  
DIN: 07053788