

Press Release

For Immediate Release

27th April 2021, New Delhi

Consolidated Audited Financial Results for Q4 & FY21 Ended 31st March 2021

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Audited Financial Results for the quarter and financial year ended 31st March 2021. The financial numbers are based on IndAS.

Financial performance (Q4 FY21 vs Q4 FY20)

- Profit after Tax stood at INR 127 crore vs net loss of INR 242 crore.
- Spread stood at 2.8% as compared to 2.2%.
- Net Interest Margin stood at 3.3% as compared to 2.6%.
- Gross Margin, net of acquisition cost, stood at 3.7% compared to 2.9%.
- Pre provision Operating Profit increased by 26% to INR 539 crore vs INR 428 crore.
- Operating Expenditure remained at similar levels of INR 145 crore vs INR 144 crore.
- Total Revenue of INR 1,834 crore vs INR 1,952 crore registering a decline of 6%.

Financial performance (FY21 vs FY20)

- Profit after Tax is at INR 930 crore vs INR 646 crore registering an increase of 44%.
- The Spread on loans stood at 2.8% compared to 2.5%. Excluding the net positive impact of securitization, Spread for FY21 is 2.5% vs 2.2% for FY20.
- Net Interest Margin stood at 3.2% compared to 3.0%
- Gross Margin, net of acquisition cost, is at 3.3% compared to 3.2% YoY.
- Pre provision Operating Profit remained at similar levels of INR 2,069 crore from INR 2,062 crore.
- Operating Expenditure at INR 455 crore vs INR 552 crore registering a decline of 18%.
- Total Revenue at INR 7,624 crore vs INR 8,490 crore registering a decline of 10%.
- The ECL provision as on 31st March 2021 is INR 2,544 crore resulting in total provision to assets ratio at 4.1%. The total and Stage 3 provision coverage ratio is at 92% and 45% respectively.
- Return on Asset is at 1.2% as compared to 0.8%.
- Gearing as on 31st March 2021 is 6.7x compared to 8.5x as on 31st March 2020.
- Return on Equity at 10.9% for FY21 vis a vis 8.1% for FY20.

Business Operations

- The disbursements during Q4 FY21 stood at INR 4,103 crore compared to INR 2,826 crore in Q4 FY20 registering an increase of 45%. The disbursements for FY21 stood at INR 10,445 crore

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CIN: L65922DL1988PLC033856

compared to INR 18,626 crore for FY20. Retail disbursements were 96% of the total disbursements in FY21 as compared to 92% in FY20.

- Asset under Management (AUM) is at INR 74,469 crore as on 31st March 2021. Retail Loans contribute 84% and Corporate loans 16% of the AUM. The Corporate book in absolute terms reduced by 19% in FY21 on account of sell down/accelerated payment/ scheduled repayment.
- Loan Assets stood at INR 62,255 crore as on 31st March 2021 from INR 67,571 crore as on 31st March 2020.

Distribution and Service Network

- As on 31st March 2021, the Company has 94 branches with presence in 64 cities and 22 Hubs.
- The Company also services the customers through 17 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) at an AUM level is at 3.9% while it is 4.4% at Loan Assets as on 31st March 2021.
- Net NPA stood at 2.4% of the Loan Assets as on 31st March 2021.

Borrowings

- Total borrowings are at INR 59,942 crore as on 31st March 2021 as against INR 68,216 crore as on 31st March 2020 registering a decline of 12%.
- The Deposit portfolio stood at INR 17,129 crore as on 31st March 2021 as compared to INR 16,470 crore as on 31st March 2020 registering an increase of 4%. Deposits contribution increased to 28.6% of total borrowings as on 31st March 2021 compared to 24.1% as on 31st March 2020.
- Total assigned loans outstanding as on 31st March 2021 is at INR 12,214 crore as compared to INR 15,775 crore as on 31st March 2020 registering a decline of 23%.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IndAS stood at 18.73% as on 31st March 2021, of which Tier I capital was 15.53% and Tier II capital was 3.20%. Adjusted for deposits with companies in same group, which gets deducted from Net owned Funds, the CRAR would have been 20.6%.
- The risk-weighted assets as on 31st March 2021 stood at INR 47,068 crore.

Commenting on the performance Mr. Hardayal Prasad, Managing Director & CEO said:

"Led by retail lending, the Company registered a healthy increase in disbursements on sequential basis quarter on quarter in the current fiscal. We also registered a 50% jump in retail disbursement in Q4 FY21 compared to Q4 FY20. With collections being the primary focus we have witnessed an improving trend in collection efficiency which is now 98.3% in Q4 FY21.

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The Company had earlier laid down its strategy and milestones required to achieve the same. As a retail focussed housing finance company, we will leverage our expertise in self-employed and mass housing especially Unnati where the Company has developed niche in terms of distribution network, underwriting capability and services. The Company is excited about the co-lending opportunity for which it has tied up with a bank. With accelerated reduction in the corporate book by 19% and healthy internal accruals the gearing is now at 6.7x. We will further ensure to build a digital housing ecosystem that will automate processes and drive cost efficiencies.”

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 7th 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.

Disclaimer

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Statement of Consolidated Financial results for the quarter and year ended March 31, 2021

(₹ in crore)

S.no.	Particulars	Quarter ended			Year ended	
		31-Mar-21 (Audited)	31-Dec-20 (Reviewed)	31-Mar-20 (Audited)	31-Mar-21 (Audited)	31-Mar-20 (Audited)
	Revenue from operations					
(i)	Interest income	1,670.14	1,757.86	1,802.57	7,189.83	7,688.21
(ii)	Fees and commission income	87.06	50.80	78.38	181.23	298.84
(iii)	Net gain on fair value changes	39.14	42.82	62.74	162.33	158.64
(iv)	Income on derecognised (assigned) loans	35.34	35.19	2.75	70.53	336.15
I	Total revenue from operations	1,831.68	1,886.67	1,946.44	7,603.92	8,481.84
II	Other income	2.22	9.68	5.40	20.16	7.71
III	Total income (I+II)	1,833.90	1,896.35	1,951.84	7,624.08	8,489.55
	Expenses					
(i)	Finance cost	1,150.36	1,246.22	1,379.97	5,099.78	5,874.95
(ii)	Impairment on financial instruments & write-offs	350.60	256.66	754.84	861.90	1,251.37
(iii)	Employee benefits expenses	52.59	42.68	35.24	211.29	233.06
(iv)	Depreciation and amortisation	14.35	14.04	14.54	59.01	65.85
(v)	Fees and commission expense	8.42	1.17	1.85	11.61	8.92
(vi)	Other expenses	69.44	41.74	92.64	173.46	244.39
IV	Total expenses	1,645.76	1,602.51	2,279.08	6,417.05	7,678.54
V	Profit before tax (III-IV)	188.14	293.84	(327.24)	1,207.03	811.01
	Tax expense:					
	-Current tax	95.50	109.53	87.97	413.25	389.24
	-Deferred tax ((credit)/charge)	(34.39)	(48.09)	(173.15)	(136.12)	(224.47)
VI	Total tax expense	61.11	61.44	(85.18)	277.13	164.77
VII	Net profit after tax (V-VI)	127.03	232.40	(242.06)	929.90	646.24
VIII	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	2.27	(0.27)	0.43	2.43	0.79
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.57)	0.07	(0.11)	(0.61)	(0.20)
	B (i) Items that will be reclassified to profit or loss	50.63	8.59	(109.94)	(30.08)	(46.91)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(12.74)	(2.17)	27.67	7.57	(8.98)
IX	Total comprehensive income (VII+VIII)	166.62	238.62	(324.01)	909.21	590.94
	Earnings per share (of ₹ 10 each)*					
	-Basic (₹)	7.55	13.82	(14.39)	55.29	38.45
	-Diluted (₹)	7.55	13.82	(14.38)	55.26	38.41
	Paid-up equity share capital (Face value of ₹ 10)	168.27	168.19	168.19	168.27	168.19
	Reserve (excluding revaluation reserves) as at March 31				8,754.76	7,829.58

* EPS for the quarters are not annualised

Consolidated Statement of Assets and Liabilities

(₹ in crore)

S. No.	Particulars	As at	
		31-Mar-21	31-Mar-20
		(Audited)	
	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalents	6,968.56	8,514.32
(b)	Bank balance other than (a) above	0.07	0.07
(c)	Derivative financial instruments	-	125.66
(d)	Trade receivables	44.94	44.90
(e)	Loans	60,644.72	66,628.02
(f)	Investments	2,044.82	2,075.74
(g)	Other financial assets	906.58	701.70
	Sub total - financial assets	70,609.69	78,090.41
2	Non - financial assets		
(a)	Current tax assets (net)	-	61.01
(b)	Deferred tax assets (net)	429.63	285.94
(c)	Investment property	0.54	0.55
(d)	Property, plant and equipment	81.75	105.31
(e)	Right of use assets	78.09	119.80
(f)	Capital work-in-progress	0.01	1.23
(g)	Other Intangible assets	20.89	25.42
(h)	Intangible assets under developments	2.37	2.83
(i)	Other non-financial assets	32.75	30.67
(j)	Assets held for sale	136.48	206.56
	Sub total - non - financial assets	782.51	839.32
	TOTAL - ASSETS	71,392.20	78,929.73
	LIABILITIES		
1	Financial liabilities		
(a)	Derivative financial instruments	51.44	-
(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	111.88	86.92
	(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	11,461.48	17,836.46
(d)	Borrowings (other than debt securities)	29,746.34	32,328.12
(e)	Deposits	16,746.04	16,131.94
(f)	Subordinated liabilities	1,438.58	1,438.58
(g)	Other financial liabilities	1,652.18	1,689.95
	Sub total - financial liabilities	61,207.94	69,511.97
2	Non financial liabilities		
(a)	Current tax liabilities	62.93	-
(b)	Provisions	18.39	18.94
(c)	Other non-financial liabilities	1,179.91	1,401.05
	Sub total - non financial liabilities	1,261.23	1,419.99
3	EQUITY		
(a)	Equity share capital	168.27	168.19
(b)	Other equity	8,754.76	7,829.58
	Subtotal - equity	8,923.03	7,997.77
	TOTAL - EQUITY AND LIABILITIES	71,392.20	78,929.73

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Cash Flow Statement

(₹ in crore)

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
	(Audited)	
Cash flow from operating activities		
Profit before tax	1,207.03	811.01
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	59.01	65.85
Loss on sale of property, plant and equipment	3.71	0.61
Impairment on financial instruments	778.75	1,173.15
Impairment/ (reversal of impairment) on assets held for sale	26.64	55.80
Net loss on financial asset at fair value through profit and loss	4.71	0.47
Share based payment expense	13.30	21.06
Effective interest rate on financial assets	33.18	(21.83)
Effective interest rate on financial liabilities	(40.96)	68.75
Income on derecognised (assigned) loans	(172.21)	(181.48)
Restructured gain on financial assets	(62.11)	-
Interest on leases including modification gain/(loss)	6.96	11.03
Re-measurement on defined benefit plan	2.43	0.79
Bad debts Written-off	83.07	78.22
	736.48	1,272.42
Operating profits before changes in working capital	1,943.51	2,083.43
Working Capital changes		
Trade payables	24.96	(40.24)
Provision	1.45	(7.98)
Financial liabilities	2.52	(539.78)
Non financial liabilities	(221.13)	(599.03)
Loans at amortised cost	5,150.67	6,430.92
Trade receivable	(0.04)	(6.02)
Other financial asset	(34.93)	(6.46)
Derivative impact of external commercial borrowings	154.21	(383.37)
Other non financial asset	(3.43)	(12.99)
Investments (Net)	26.21	2,485.53
Asset held for sale	43.44	(131.25)
Other bank balances	-	0.04
	5,143.93	7,189.37
Cash generated / (used) in operations	7,087.44	9,272.80
Taxes paid (net of refunds)	(295.74)	(344.30)
Net cash generated / (used) in operating activities	6,791.70	8,928.50
Cash flow from investing activities		
Purchase of property, plant and equipments and other intangible assets	(7.72)	(63.75)
Capital work-in-progress and intangible assets under development (net)	1.69	1.11
Sale of property, plant and equipments and other intangible assets	0.37	0.11
	(5.66)	(62.53)
Net cash used in investing activities	(5.66)	(62.53)
Cash flow from financing activities		
Proceeds from borrowings		
Debt securities & subordinated liabilities	1,690.00	3,000.00
Borrowings from bank	18,027.27	15,989.83
Deposits (net)	630.68	2,107.97
Commercial paper	2,125.00	-
Repayment of borrowings		
Commercial paper	(1,416.00)	(7,534.00)
Debt securities & subordinated liabilities	(8,746.00)	(7,308.00)
Borrowings from bank	(20,612.66)	(10,448.29)
Lease Liability	(32.83)	(35.02)
Proceeds from issue of share capital	0.08	0.72
Share premium received	2.66	23.55
Dividend paid (including dividend distribution tax)	-	(182.37)

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Net cash (used) / from financing activities	(8,331.80)	(4,385.61)
Net changes in cash & cash equivalents	(1,545.76)	4,480.36
Cash or cash equivalents at the beginning of the year	8,514.32	4,033.96
Cash or cash equivalents at the end the of the year	6,968.56	8,514.32
Net increase of cash & cash equivalents during the year	(1,545.76)	4,480.36

Note : Figures in bracket denotes application of cash

Notes:

1. 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.
2. The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India. The financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the the Companies Act, 2013, and other recognised accounting practices generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
3. Assets under management (AUM) have decreased from ₹ 83,346 crore as on March 31, 2020 to ₹ 74,470 crore as on March 31, 2021 registering a decline of 11%. Loans have decreased from ₹ 67,571 crore as on March 31, 2020 to ₹ 62,256 crore as on March 31, 2021 registering a decline of 8%.

Borrowings have decreased from ₹ 68,216 crore as on March 31, 2020 to ₹ 59,942 crore as on March 31, 2021 registering a decline of 12%.
4. Gross NPA to the loans as on March 31, 2021 is 4.44% as against 2.75% as on March 31, 2020. Net NPA to the loan assets as on March 31, 2021 is 2.43% as against 1.75% as on March 31, 2020.
5. 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.
6. The extent to which the COVID 19 pandemic, including the current “second wave” will impact the Company’s future results will depend on economic situation, which is highly unpredictable. 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.

Hon'ble Supreme Court, in a public interest litigation vide an interim order dated September 03, 2020 ('interim order'), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not been classified as NPA.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

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7. The disclosure requirements as required by RBI circular dated April 17, 2020 for the year ended March 31, 2021 is given below:

Particulars	₹ in crore)	
	31-Mar-21	31-Mar-20
Advances outstanding in SMA/overdue categories, where the moratorium / deferment was extended, as per the COVID 19 regulatory package as at February 29, 2020 #	4,861.00	5,034.00
Advances outstanding where asset classification benefits is extended *	729.00	174.00
Provisions made in terms of paragraph 5 of the COVID 19 Regulatory Package	225.00	35.00
Provisions adjusted against slippages in terms of paragraph 6	Nil	Nil
Residual provisions in terms of paragraph 6 of the COVID 19 Regulatory Package	225.00	35.00

#Loan assets as on March 31, 2021 and March 31, 2020 respectively on account of all accounts which were in moratorium as on August 31, 2020

*For FY 2021, ₹ 729 crore were proforma NPAs as on December 31, 2020. Post March 23, 2021 the movement of days past due is as at actuals.

8. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. The methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021.
9. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan #	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(₹ in crore)
					(E) Increase in provisions on account of the implementation of the resolution
Personal Loans*	2,444	1,359.41	Nil	Nil	119.76
Corporate persons					
of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others^	14	341.14	Nil	Nil	32.95
Total	2,458	1,700.55	Nil	Nil	152.71

*Covid restructured assets of retail portfolio.

^Covid restructured assets of corporate finance portfolio.

#Exposure to accounts before implementation of plan is of September 2020.

10. During the quarter ended March 31, 2021, the Company has allotted 75,715 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.

11. 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.
12. During the quarter ended March 31, 2021, there were no transactions in the nature of exceptional items.
13. Figures for the quarter ended March 31, 2021 and March 31, 2020 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.
14. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable with the current period.

The Statutory Auditors of the Company have audited the consolidated financial results for the quarter and year ended March 31, 2021, in compliance of Regulations 33 of SEBI (LODR) Regulations, 2015, as amended. 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 April 27, 2021.

For and on behalf of the Board of Directors

Date: April 27, 2021
Place: New Delhi

Hardayal Prasad
Managing Director & CEO
DIN: 08024303