

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

TO THE BOARD OF DIRECTORS PNB HOUSING FINANCE LIMITED

We have reviewed the accompanying Statement of Unaudited Financial Results of **PNB HOUSING FINANCE LIMITED** ("the Company") for the quarter ended on September 30, 2016 ("the Statement") being submitted by the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation, 2015"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review 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 an analytical procedure 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards specified in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 dated July 05, 2016 of SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B. R. MAHESWARI & CO.
Chartered Accountants
Firm Registration No. 001035N


SUDHIR MAHESHWARI

Partner

Membership No. 081075



New Delhi, November 15, 2016

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED SEPTEMBER 30, 2016

(₹ in Crore)

Particulars	Quarter ended 30.09.2016	Quarter ended 30.06.2016	Quarter ended 30.09.2015	Half-Year ended 30.09.2016	Half-Year ended 30.09.2015	Year ended 31.03.2016
	(Reviewed)					(Audited)
Income:						
Interest Income	913.04	817.20	614.41	1730.24	1,150.30	2,568.26
Fees & Other Operating Income	57.13	45.65	28.80	102.78	53.34	127.58
Income from Operations	970.17	862.85	643.21	1,833.02	1,203.64	2,695.84
Expenditure:						
Finance Cost	684.68	607.99	446.11	1292.67	848.79	1,860.29
Employee Benefit Expenses	26.58	22.12	20.93	48.70	39.19	75.28
Other Expenses	69.68	53.13	36.87	122.81	72.14	161.76
Depreciation Expense	4.56	4.47	3.43	9.03	6.57	15.04
Provisions and Write-offs (Note-5)	(22.51)	27.98	19.65	5.47	36.14	81.13
Total Expenditure	762.99	715.69	526.99	1,478.68	1,002.83	2,193.50
Profit Before Other Income	207.18	147.16	116.22	354.34	200.81	502.34
Other Income	0.08	0.02	-	0.10	-	0.75
Profit Before Tax	207.26	147.18	116.22	354.44	200.81	503.09
Tax Expenses	69.61	51.28	39.02	120.89	67.21	176.62
Net Profit After Tax	137.65	95.90	77.20	233.55	133.60	326.47
Paid-up Equity Capital (Face value ₹ 10/-)	126.92	126.92	126.92	126.92	126.92	126.92
Reserves as at 31 st March						2018.98
Earning Per Share (₹)						
- Basic	10.85	7.56	6.08	18.40	12.46	27.48
-Diluted	10.64	7.49	6.08	18.13	12.46	27.48



पंजीकृत कार्यालय: 9वीं मंजिल, अंतरिक्ष भवन, 22, कस्तूरबा गाँधी मार्ग, न्यू दिल्ली – 110001

Regd. Office: 9th floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg, New Delhi - 110 001

Phone: 011-23736857, Email:loans@pnbhfl.com, Website:www.pnbhfl.com

CIN: U65922DL1988PLC033856

Notes:

1. Statement of Assets and Liabilities:

(₹ in Crore)

	As at	
	30.09.2016 (Reviewed)	31.03.2016 (Audited)
<u>EQUITY AND LIABILITIES</u>		
Shareholder's Funds		
Share Capital	126.92	126.92
Reserves and Surplus	2,252.53	2,018.98
	2,379.45	2,145.90
Non-Current Liabilities		
Long-Term Borrowings	23,138.72	16,646.22
Deferred Tax Liabilities (Net)	46.04	30.47
Other Long-Term Liabilities	166.83	100.79
Long-Term Provisions	161.44	160.93
	23,513.03	16,938.41
Current Liabilities		
Short-Term Borrowings	5,466.67	7,448.41
Trade Payables	105.76	75.24
Other Current Liabilities	3,943.59	2,991.87
Short-Term Provisions	26.78	71.12
	9,542.80	10,586.64
TOTAL	35,435.28	29,670.95
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets	58.92	62.16
Non-Current Investments	893.18	813.96
Loans and Advances	30,193.12	25,623.56
Other Non-Current Assets	225.07	188.01
	31,370.29	26,687.69
Current Assets		
Current Investments	261.67	808.31
Cash and Cash Equivalents	1,119.03	248.54
Short-Term Loans and Advances	75.80	18.01
Other Current Assets	2,608.49	1,908.40
	4,064.99	2,983.26
TOTAL	35,435.28	29,670.95

- The main business of the Company is to provide 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 Accounting Standard on 'Segment Reporting' (AS 17) issued by the Institute of Chartered Accountants of India.
- Assets under management (AUM) have increased from ₹ 22,347 Crore as on September 30, 2015 to ₹ 34,896 Crore as on September 30, 2016 registering a growth of 56%.
- Gross NPAs of the Company are 0.26% of the Loan Assets as against 0.22% of the Loan Assets as on March 31, 2016. Net NPAs of the Company are 0.18% of the Loan Assets as against 0.14% of the Loan Assets as on March 31, 2016.



5. As on September 30, 2016 the Company is carrying provision for non-performing assets and provision for standard assets of ₹ 25.95 crore and ₹ 155.47 crore respectively. The same is created and maintained in compliance of the Housing Finance Companies (NHB) Directions, 2010 as amended up to date.

During the quarter, provision for contingencies of ₹ 24.50 Crores created in earlier years, over and above the provisions required to be maintained in terms of NHB Directions, was written back.

6. Vide circular NHB (ND)/DRS/Policy Circular 65 / 2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(1) (viii) of the Income Tax Act, 1961. Accordingly, the Company has charged its Statement of Profit & Loss for the quarter and half-year ended September 30, 2016 with the deferred tax liability on additional amount expected to be appropriated towards Special Reserve out of profits. This amount is reflected under the head "Tax Expenses".

As per above circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the reserves over a period of 3 years starting with financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has created first and second phase of 25% each Deferred Tax Liability on accumulated special reserve as at April 01, 2014 at the year-end in annual accounts of FY 2014-15 and FY 2015-16. The Company would create third and final phase of 50% of Deferred Tax Liability on accumulated Special Reserve as on April 01, 2014 at the year-end in annual accounts of FY 2016-17.

7. During the period ended September 30, 2016, there are no transactions in the nature of exceptional or extra ordinary items.
8. Previous period/year figures have been regrouped or reclassified, wherever necessary, to make them comparable with the current period figures.

The Statutory Auditors of the Company have carried out a limited review of the financial results for the half-year ended September 30, 2016. The above results were reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at the meeting held on November 15, 2016.

November 15, 2016
New Delhi

For PNB Housing Finance Limited



A handwritten signature in black ink, appearing to read "Sanjaya Gupta".

Sanjaya Gupta
Managing Director
DIN 02939128