

## **Review report**

### **To the Board of Directors of Piramal Capital & Housing Finance Limited** *(formerly known as Piramal Housing Finance Limited)*

We have reviewed the accompanying statement of unaudited financial results of Piramal Capital & Housing Finance Limited (*formerly known as Piramal Housing Finance Limited*) ('the Company') for the half year ended 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is also invited to the fact that the figures for the corresponding half year ended 30 September 2017, including the reconciliation of loss under Ind AS of the corresponding half year with loss reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review. 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 results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results 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.

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations and SEBI circular dated 10 August 2016 in this regard including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Review report (Continued)**

**Piramal Capital & Housing Finance Limited**

*(formerly known as Piramal Housing Finance Limited)*

We draw your attention to note 14 of the unaudited financial results regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 – Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Ind AS 103.

Our conclusion is not modified in respect of this matter.

Mumbai  
25 October 2018

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No.:101248W/ W – 100022



**Venkataramanan Vishwanath**  
*Partner*  
Membership No.: 113156

**Piramal Capital & Housing Finance Limited**  
 (formerly known as Piramal Housing Finance Limited)

Statement of financial results for the half year ended 30 September 2018

(Currency : Rs in lakhs)

Particulars	6 months ended / Year to date 30 September 2018	6 months ended / Year to date 30 September 2017
	(Unaudited)	(Unaudited)
Revenue from operations	2,54,349	49
Other income	2,952	137
<b>Total revenue</b>	<b>2,57,301</b>	<b>186</b>
<b>Expenses</b>		
Employee benefit expenses	8,460	389
Finance costs	1,24,019	14
Depreciation and amortisation	226	11
Other expenses	16,461	1,040
<b>Total expenses</b>	<b>1,49,166</b>	<b>1,454</b>
<b>Profit before tax</b>	<b>1,08,135</b>	<b>(1,268)</b>
Tax expense	36,613	(226)
<b>Profit / (Loss) for the period</b>	<b>71,522</b>	<b>(1,042)</b>
<b>Other comprehensive income/ (expense)</b> <i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of the defined benefit (liability)/asset	(123)	-
Income tax relating to items that will not be reclassified to profit or loss	43	-
<b>Total comprehensive income for the period</b>	<b>71,442</b>	<b>(1,042)</b>
Earning per equity share (basic and diluted) (face value INR 10) ^	0.40	(0.33)
Net worth @	8,52,427	30,458
Debt equity ratio *	1.72	NA
Debt Service Coverage Ratio ('DSCR') \$	0.07	NA
Interest Service Coverage Ratio ('ISCR') #	1.87	(87.93)

^ Earning per equity share for the interim period is not annualised

@ Net worth = Shareholders' funds (-) Intangible assets (-) Intangible assets under development

\* Debt equity ratio = Total borrowings / Shareholders' funds

\$ DSCR = Earnings before interest, tax depreciation and amortisation / Total debt

# ISCR = Earnings before interest and tax / Interest expense



**Piramal Capital & Housing Finance Limited**  
 (formerly Piramal Housing Finance Limited)

CIN : U65999MH2017PLC291071

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1. The 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 by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the National Housing Bank ('the NHB') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous period as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 September 2018 based on the Press Release issued by the Ministry of Corporate Affairs ('MCA') on 18 January 2016. Any application guidance/ clarifications/ directions issued by NHB or other regulators are implemented as and when they are issued/ applicable.

2. In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the half year ended 30 September 2018 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/IMD/DF1/69/2016 dated 10 August 2016 issued by SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the previous year ended 31 March 2018. Further, the financial results for the half year ended 30 September 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results for the half year ended 30 September 2017 provide a true and fair view of the Company's affairs.



3. As required by paragraph 32 of Ind AS 101, the profit reconciliation between the figures under Previous GAAP and restated as per Ind AS is as under:

Particulars	6 months ended 30 September 2017
Loss under Previous GAAP after tax	(936)
<u>Adjustments resulting in increase in loss under Previous GAAP :</u>	
Impact on application of Expected Credit Loss method for loan loss provisions	(106)
Loss as reported under Ind AS	(1,042)
Other Comprehensive Income / (loss) (net of tax)	0
<b>Total Comprehensive Income (after tax) as reported under Ind AS</b>	<b>(1,042)</b>

4. The above financial results for the half year ended 30 September 2018 along with restated comparative period have been reviewed by the Audit and Risk Management Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 25 October 2018.
5. The Company was incorporated on 10 February 2017 and registered as a non-deposit taking housing finance company with the National Housing Bank on 28 August 2017.
6. The Company was converted into a public limited Company with effect from 28 September 2017, consequent to which the name of the company was changed to Piramal Housing Finance Limited, upon issuance of fresh certificate of incorporation dated 17 October 2017. The name of the Company was further changed from Piramal Housing Finance Limited to Piramal Capital & Housing Finance Limited effective 12 June 2018, in accordance with the Scheme of Amalgamation of Piramal Finance Limited, Piramal Capital Limited with Piramal Housing Finance Limited and their respective shareholders.
7. The Company's business activity falls under one business segment (i.e. investing and lending) and business operations are concentrated in India, hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
8. Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014
9. Credit rating issued to Piramal Capital & Housing Finance Limited:

Nature of borrowings	Rating Agency	Rating Assigned
NCD	ICRA Limited	[ICRA]AA+ Stable *
NCD	CARE Ratings Limited	CARE AA + Stable
Commercial Paper	ICRA Limited	[ICRA]A1+
Commercial Paper	CRISIL Limited	CRISIL A1+
Commercial Paper	CARE Ratings Limited	CARE A1+
Tier II Bond	ICRA Limited	[ICRA]AA+ Stable *
Tier II Bond	CARE Ratings Limited	CARE AA+ Stable
Long Term Bank Facilities	CARE Ratings Limited	CARE AA+ Stable

\* The credit rating has been enhanced from [ICRA]AA Stable to [ICRA]AA+ Stable in the current period.



10. Previous due dates for the payment of interest/repayment of principal of non-convertible debt securities and whether the same has been paid or not from 1 April 2018 to 30 September 2018:

ISIN No.	Due date of payment of Interest	Due date of payment of Principal	Status
INE140A07146	12-Jun-18		Paid
INE641O07136	13-Aug-18		Paid
INE140A07286	10-Aug-18	10-Aug-18	Paid
INE641O07078	20-Apr-18		Paid
INE641O07086	04-May-18		Paid
INE641O07094	08-Jun-18		Paid
INE641O07102	15-Jun-18		Paid
INE641O07110	16-Jul-18		Paid
INE641O07128	06-Aug-18		Paid
INE641O07144	20-Apr-18		Paid
INE641O07144	21-May-18		Paid
INE641O07144	20-Jun-18		Paid
INE641O07144	20-Jul-18		Paid
INE641O07144	20-Aug-18		Paid
INE641O07144	20-Sep-18		Paid
INE641O07151	25-Sep-18		Paid
INE641O07169	28-Sep-18		Paid

11. The secured listed non-convertible debentures of the Company aggregating to Rs. 523,957 lakhs as on 30 September 2018 are secured by way of first pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over the specifically mortgaged property.

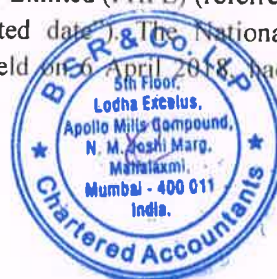
The Asset cover on the secured listed non-convertible debentures of the Company exceeds hundred percent of the principal amount of the said debentures.

12. The unsecured listed non-convertible debentures as on 30 September 2018 of the Company are aggregating to Rs. 51,625 lakhs.

13. Reserves and surplus includes Capital reserves and retained earnings.

14. Amalgamation related notes:

- a) The Board of Directors of Piramal Finance Limited (PFL) and the Board of Directors of Piramal Capital Limited (PCL) had at their respective meetings held on 12 October 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from 31 March 2018 ("Appointed date"). The National Company Law Tribunal, Mumbai Bench ("NCLT") at its hearing held on 26 April 2018, had sanctioned the Scheme of



Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT, sanctioning the Scheme which was received on 22 May 2018, was filed with the Registrar of Companies, Maharashtra, Mumbai on 23 May 2018 (the “Effective Date”).

- b) The amalgamation has been accounted for under the “Purchase Method” as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.
- c) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies was through issue of 18,044,517,320 equity shares of Rs 10/- each at par to the shareholder of PFL and PCL as per following share exchange ratio.
- o 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in Piramal Finance Limited pre-amalgamation
  - o 1 equity shares of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in Piramal Capital Limited pre-amalgamation
- d) Consequent to the Scheme becoming effective, total assets of Transferor Companies aggregating to Rs. 3,359,324 lakhs and total liabilities aggregating to Rs 2,576,298 lakhs as at the Appointed date have been transferred to the Transferee Company at their respective fair values as determined by an Independent valuer. The balance amount of Rs. 1,021,428 lakhs has been recorded as goodwill on amalgamation and Rs 3 lakhs has been recorded as Capital reserve.
- e) The amalgamation has been accounted under the “Purchase Method” as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.
15. Due to amalgamation, the figures of the current period will not be comparable to the corresponding figures of the previous period.
16. During the period ended 30 September 2018, the Company had purchased a portion of the lending portfolio comprising of assets of Rs. 220,772 lakhs from its holding Company, Piramal Enterprises Limited. Further, the Company had transferred a portion of the lending portfolio comprising of assets of Rs. 488,471 lakhs to its fellow subsidiary, PHL Fininvest Private Limited.




**Piramal Capital & Housing Finance Limited**  
*(formerly known as Piramal Housing Finance Limited)*

Balance Sheet as at 30 September 2018

*(Currency: Rs in lakhs)*

Particulars	As at
	30 September 2018 (Unaudited)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	1,528
Intangible assets	10,25,743
Intangible assets under development	2,201
<b>Financial assets:</b>	
(i) Investments	7,78,086
(ii) Loans	28,41,312
Deferred tax assets	18,693
Other non-current assets	4,011
<b>Total non-current assets</b>	<b>46,71,574</b>
<b>Current assets</b>	
<b>Financial assets:</b>	
(i) Investments	1,37,161
(ii) Cash and cash equivalents	18,448
(iii) Bank balances other than (ii) above	85,000
(iv) Loans	2,01,397
(v) Other financial assets	287
Asset held for sale	1,591
<b>Other current assets</b>	<b>260</b>
<b>Total current assets</b>	<b>4,44,144</b>
<b>Total Assets</b>	<b>51,15,718</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Equity share capital	18,04,452
Other equity	75,920
<b>Total equity</b>	<b>18,80,372</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
<b>Financial liabilities:</b>	
(i) Borrowings	17,43,246
(ii) Other financial liabilities	79
<b>Provisions</b>	<b>1,228</b>
<b>Total non-current liabilities</b>	<b>17,44,553</b>
<b>Current liabilities</b>	
<b>Financial liabilities:</b>	
(i) Borrowings	8,08,363
(ii) Trade payables	2,667
(iii) Other financial liabilities	6,78,381
<b>Other current liabilities</b>	<b>727</b>
<b>Provisions</b>	<b>577</b>
<b>Current tax liabilities</b>	<b>78</b>
<b>Total current liabilities</b>	<b>14,90,793</b>
<b>Total Equity and Liabilities</b>	<b>51,15,718</b>

For Piramal Capital & Housing Finance Limited

  
 Khushru Vajima  
 Managing Director

25 October 2018  
 Mumbai

