
Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Non- Banking Financial Company ('NBFC') pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of **Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]** ('the Holding Company' or 'the NBFC') and its subsidiary (the Holding Company and its subsidiary, together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiary included in the Statement) for the quarter ended **31 December 2022** and the consolidated year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding 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 ('the Act'), the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and
Year to Date Results of the Non- Banking Financial Company ('NBFC') pursuant to the Regulation 33
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, 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 Ind AS 34, prescribed under section 133 of the Act, the RBI guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.
5. We did not review the interim financial statements/ financial information/ financial results of one subsidiary, included in the Statement, whose financial information reflects total revenues of ₹ 199.30 crores and ₹ 509.24 crores, total net profit after tax of ₹ 34.20 crores and ₹ 97.04 crores, and total comprehensive income of ₹ 34.12 crores and ₹ 97.23 crores for the quarter and nine-month period ended 31 December 2022 respectively, as considered in the Statement. These interim financial statements/ financial information/ financial results have been reviewed by other auditor, whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our review report is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

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Khushroo B. Panthaky
Partner
Membership No:042423

UDIN:23042423BGWILI6423

Place: Mumbai
Date: 23 January 2023

**Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and
Year to Date Results of the Non- Banking Financial Company ('NBFC') pursuant to the Regulation 33
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

Annexure 1

List of entity included in the Statement

Name of the entity	Relationship
Poonawalla Housing Finance Limited [Formerly Magma Housing Finance Limited]	Subsidiary

Interest in Joint Venture (Jaguar Advisory Services Private Limited) has been reclassified as assets held for sale, as per Ind AS 105 and accordingly, the equity method accounting has been discontinued with effect from 13 December 2021.

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

(₹ in crores)						
Particulars	Quarter Ended			Year To Date		Year Ended
	31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Interest income	636.11	568.81	484.24	1,722.85	1,426.72	1,910.49
(b) Rental income	7.32	6.76	6.16	20.28	19.73	26.44
(c) Fees and commission income	21.24	19.92	17.17	59.65	43.18	63.92
(d) Net gain on fair value changes	2.14	(1.41)	0.39	3.19	2.51	3.54
(e) Net gain on derecognition of financial instruments	30.96	33.19	-	64.28	-	-
Total revenue from operations	697.77	627.27	507.96	1,870.25	1,492.14	2,004.39
(a) Other income	18.46	27.62	7.84	72.54	19.43	36.64
Total income	716.23	654.89	515.80	1,942.79	1,511.57	2,041.03
2. Expenses						
(a) Finance costs	234.05	209.03	181.44	616.44	557.44	716.17
(b) Net loss on derecognition of financial instruments	-	-	-	-	-	5.47
(c) Impairment on financial instruments	(30.14)	(41.41)	0.32	(85.51)	83.67	77.56
(d) Employee benefits expense	176.14	180.65	135.46	518.70	376.86	519.21
(e) Depreciation and amortisation expense	18.02	15.66	14.23	47.37	39.52	54.55
(f) Other expenses	74.50	73.18	48.17	208.77	117.63	177.89
Total expenses	472.57	437.11	379.62	1,305.77	1,175.12	1,550.85
3. Profit before share of profit of joint ventures and tax (1-2)	243.66	217.78	136.18	637.02	336.45	490.18
4. Share of profit of joint ventures	-	-	(5.72)	-	1.50	1.50
5. Profit before tax and exceptional items (3+4)	243.66	217.78	130.46	637.02	337.95	491.68
6. Exceptional items (net) (Note 11)	-	-	-	7.03	-	-
7. Profit before tax from operations (5+6)	243.66	217.78	130.46	644.05	337.95	491.68
8. Tax expense						
(a) Current tax - current year	8.05	14.82	9.52	74.41	18.58	23.59
- earlier years	-	-	-	-	(2.53)	(1.97)
(b) Deferred tax charge	53.17	39.84	24.47	83.16	65.38	94.64
Total tax expense	61.22	54.66	33.99	157.57	81.43	116.26
9. Profit after tax for the period / year (7-8)	182.44	163.12	96.47	486.48	256.52	375.42
10. Other comprehensive income						
(a) (i) Items that will not be reclassified to profit and loss						
Remeasurements of the defined benefit plans	(0.47)	(1.28)	0.42	2.79	(0.65)	(0.61)
Share of gain/(loss) of joint venture, net of tax	-	-	-	-	(0.19)	(0.19)
(ii) Income tax relating to items that will not be reclassified to profit and loss	0.12	0.32	(0.11)	(0.70)	0.16	0.15
(b) (i) Items that will be reclassified to profit and loss						
Financial Instruments through other comprehensive income	0.32	(0.53)	(16.55)	(0.24)	9.16	10.59
Effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-	(0.32)	-	(0.05)	(0.08)
Share of gain/(loss) of joint venture, net of tax	-	-	(6.10)	-	1.90	1.90
Reclassification adjustments on disposal of Joint Venture, net of tax	-	-	-	(6.86)	-	-
(ii) Income tax relating to items that will be reclassified to profit and loss	(0.08)	0.13	4.25	0.06	(2.29)	(2.65)
Total other comprehensive income (Net of tax)	(0.11)	(1.36)	(18.41)	(4.95)	8.04	9.11
11. Total comprehensive income for the period / year (9+10)	182.33	161.76	78.06	481.53	264.56	384.53
12. Total comprehensive income for the period attributable to						
(a) Owners of the Company	182.00	161.45	78.04	480.65	264.54	384.23
(b) Non-controlling interests	0.33	0.31	0.02	0.88	0.02	0.30
13. Profit for the period attributable to						
(a) Owners of the Company	182.11	162.81	96.41	485.60	256.46	375.13
(b) Non-controlling interests	0.33	0.31	0.06	0.88	0.06	0.29
14. Other comprehensive income attributable to						
(a) Owners of the Company	(0.11)	(1.36)	(18.37)	(4.95)	8.08	9.10
(b) Non-controlling interests	-	(0.00)	(0.04)	0.00	(0.04)	0.01
15. Paid-up equity share capital (Face value of ₹ 2/- each)	153.02	153.02	152.93	153.02	152.93	152.99
16. Earnings per share (not annualised)						
(a) Basic (in ₹)	2.38	2.13	1.26	6.35	3.66	5.23
(b) Diluted (in ₹)	2.35	2.10	1.26	6.26	3.65	5.17

See accompanying notes to the financial results

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

Notes :

- 1] The consolidated unaudited financial results ("the financial results") of Poonawalla Fincorp Limited (Formerly Magma Fincorp Limited) ("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). 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 34 - 'Interim Financial Reporting'. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- 2] The financial results for the quarter and nine month period ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 23 January 2023.
- 3] The financial results have been subjected to limited review by the statutory auditors of the Company as required under Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The statutory auditors have expressed an unmodified conclusion on these financial results.
- 4] These financial results shall be filed with the BSE Limited and National Stock Exchange of India Limited ("NSE") and shall be available on the Company's website www.poonawallafincorp.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The consolidated financial results have been prepared in accordance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 111 (Joint Arrangements) and comprise of the financial results of Poonawalla Fincorp Limited (Formerly Magma Fincorp Limited), its subsidiary, Poonawalla Housing Finance Limited (formerly Magma Housing Finance Limited) . With effect from 14 December 2021, the investments in joint ventures has been designated as assets held for sale in accordance with the Ind AS 105 "Non-current assets Held for Sale" and accordingly the equity method accounting has been discontinued after 13 December 2021.
- 6] The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Group is engaged primarily in the business of financing and as such no separate reportable segments as per Ind AS 108 - 'Operating Segments'.
- 7] The Group has changed the presentation currency of financial results from ₹ in lacs to ₹ in crores from the current financial year and accordingly all the previous period figures have been rounded off to the nearest crores.
- 8] During the nine month period ended 31 December 2022, the Company has allotted 1,95,448 equity shares of face value of ₹ 2 each to the eligible employees of the Company under Employee Stock Option Plan 2007 / Restricted Stock Option Plan 2014 / Employee Stock Option Plan 2021 pursuant to the ESOP Guidelines, as amended from time to time.
- 9] RBI vide circular dated 12 November 2021 read with clarification dated 15 February 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. Effective previous quarter ended 30 September 2022, the Group has aligned the classification of Gross Stage 3 assets under Ind AS with the regulatory norms.
- 10] During the nine month period ended 31 December 2022, the Company has issued Commercial Paper listed on the Bombay Stock Exchange (BSE) pursuant to SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 as amended, for which, refer the disclosure on regulation 52(4) separately filed with Stock Exchanges.
- 11] During the quarter ended 30 June 2022, the Company has sold its shareholding in its Joint Venture (JV) namely Magma HDI General Insurance Company Limited (Magma HDI) based on requisite regulatory approvals received on 27 May 2022. Accordingly, the resultant gain of ₹ 238.03 crores has been classified and presented as an exceptional item in line with Ind AS 1 "Presentation of Financial Statements". The Company had created a one-time provision of ₹ 223.75 crores in respect of existing assets-based finance portfolio on account of further anticipated slippages in future due to discontinuance of further loans in this segment. Further, intangible assets having book value of ₹ 7.25 crores which have been replaced with a new system, were written off. The above items are presented as exceptional items on a net basis.
- 12] During the quarter ended 31 December 2022, the Company has entered into a definitive share purchase agreement with Perseus SG Pte. Ltd., an entity affiliated to TPG Global LLC, to divest its entire holding in Poonawalla Housing Finance Limited (Formerly, Magma Housing Finance Limited) ("PHFL"), at a purchase consideration based on a per equity share price of ₹ 152.84 representing a total equity value ₹ 3900 crores. This divestment has been approved by the Board of Directors in their meeting held on 14 December 2022 and is subject to shareholders and requisite regulatory approvals. The Company will do the necessary accounting and classification of such investments in line with the requirements of Ind AS 105 "Non-current assets Held for Sale" as and when such approvals are obtained.

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

13] 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.

14] Unaudited Financial Results of Poonawalla Fincorp Limited (Formerly Magma Fincorp Limited) (Standalone Information): (₹ in crores)

Particulars	Quarter Ended			Year to date		Year Ended
	31	30	31	31	31	31
	December 2022	September 2022	December 2021	December 2022	December 2021	March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total income	519.31	480.53	394.24	1,428.05	1,168.79	1,567.08
2. Profit before exceptional items and tax	201.01	173.95	106.82	509.07	268.04	384.57
3. Exceptional items	-	-	-	20.85	-	-
4. Profit before tax	201.01	173.95	106.82	529.92	268.04	384.57
5. Profit for the period	150.42	130.17	80.22	404.25	204.08	293.20
6. Total comprehensive income for the period	150.39	128.83	81.04	405.97	210.16	294.84

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

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Abhay Bhutada
Managing Director
DIN No.: 03330542

Place : Pune
Dated : 23 January 2023

Registered Office : 201 and 202, 2nd Floor, AP81, Koregaon Park Annexe, Mundhwa, Pune-411 036, Maharashtra

Website : www.poonawallafincorp.com; **CIN :** L51504PN1978PLC209007

Phone: +91 020 67808090; **E-mail:** info@poonawallafincorp.com

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
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T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Non- Banking Financial Company ('NBFC') pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]** ('the NBFC') for the quarter ended 31 December 2022 and the year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the NBFC pursuant to the requirements of Regulation 33 and Regulation 52, read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the NBFC's management and approved by the NBFC'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 ('the Act'), the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Poonawalla Fincorp Limited [Formerly Magma Fincorp Limited]
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Non- Banking Financial Company ('NBFC') pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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 Ind AS 34, prescribed under section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 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 RBI in respect of income recognition, asset classification, provisioning and other related matters, or that it contains any material misstatement.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

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Khushroo B. Panthaky
Partner
Membership No:042423

UDIN:23042423BGWILH1420

Place: Mumbai
Date: 23 January 2023

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

(₹ in crores)

Particulars	Quarter Ended			Year To Date		Year Ended
	31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Interest income	460.48	417.85	367.55	1,264.01	1,098.34	1,458.56
(b) Rental income	7.32	6.76	6.16	20.28	19.73	26.44
(c) Fees and commission income	16.22	15.60	13.27	46.15	33.04	48.55
(d) Net gain on fair value changes	0.71	1.61	0.34	3.04	2.20	2.67
(e) Net gain on derecognition of financial instruments	16.64	13.04	-	28.85	-	-
Total revenue from operations	501.37	454.86	387.32	1,362.33	1,153.31	1,536.22
(a) Other income	17.94	25.67	6.92	65.72	15.48	30.86
Total income	519.31	480.53	394.24	1,428.05	1,168.79	1,567.08
2. Expenses						
(a) Finance costs	159.29	144.08	123.87	422.10	398.85	509.29
(b) Impairment on financial instruments	(45.24)	(48.24)	8.09	(109.83)	69.98	68.61
(c) Employee benefits expense	129.39	136.80	103.53	395.39	299.71	409.86
(d) Depreciation and amortisation expense	15.82	13.93	12.95	42.06	35.79	49.49
(e) Other expenses	59.04	60.01	38.98	169.26	96.42	145.26
Total expenses	318.30	306.58	287.42	918.98	900.75	1,182.51
3. Profit before exceptional items and tax (1-2)	201.01	173.95	106.82	509.07	268.04	384.57
4. Exceptional items (net) (Note 11)	-	-	-	20.85	-	-
5. Profit before tax from operations (3+4)	201.01	173.95	106.82	529.92	268.04	384.57
6. Tax expense						
(a) Current tax - current year	(0.81)	7.81	-	49.28	-	-
- earlier years	-	-	-	-	(2.78)	(2.27)
(b) Deferred tax charge	51.40	35.97	26.60	76.39	66.74	93.64
Total tax expense	50.59	43.78	26.60	125.67	63.96	91.37
7. Profit after tax for the period / year (5-6)	150.42	130.17	80.22	404.25	204.08	293.20
8. Other comprehensive income						
(a) (i) Items that will not be reclassified to profit and loss						
Remeasurements of the defined benefit plans	(0.36)	(1.20)	0.70	2.54	(0.31)	(0.02)
(ii) Income tax relating to items that will not be reclassified to profit and loss	0.09	0.30	(0.18)	(0.64)	0.08	0.01
(b) (i) Items that will be reclassified to profit and loss						
Financial Instruments through other comprehensive income	0.32	(0.59)	0.40	(0.24)	8.43	2.21
(ii) Income tax relating to items that will be reclassified to profit and loss	(0.08)	0.15	(0.10)	0.06	(2.12)	(0.56)
Total other comprehensive income (Net of tax)	(0.03)	(1.34)	0.82	1.72	6.08	1.64
9. Total comprehensive income for the period / year (7+8)	150.39	128.83	81.04	405.97	210.16	294.84
10. Paid-up equity share capital (Face value of ₹ 2/- each)	153.02	153.02	152.93	153.02	152.93	152.99
11. Earnings per share (not annualised)						
(a) Basic (in ₹)	1.97	1.70	1.05	5.28	2.91	4.09
(b) Diluted (in ₹)	1.94	1.68	1.05	5.21	2.90	4.04

See accompanying notes to the financial results

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

Notes :

- 1] The standalone unaudited financial results ("the financial results") of Poonawalla Fincorp Limited (Formerly Magma Fincorp Limited) ("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). 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 34 - 'Interim Financial Reporting'. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- 2] The financial results for the quarter and nine month period ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 23 January 2023.
- 3] The financial results have been subjected to limited review by the statutory auditors of the Company as required under Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The statutory auditors have expressed an unmodified conclusion on these financial results.
- 4] These financial results shall be filed with the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and shall be available on the Company's website www.poonawallafincorp.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company is engaged primarily in the business of financing and as such no separate reportable segments as per Ind AS 108 - 'Operating Segments'.
- 6] The Company has changed the presentation currency of financial results from ₹ in lacs to ₹ in crores from the current financial year and accordingly all the previous period figures have been rounded off to the nearest crores.
- 7] During the nine month period ended 31 December 2022, the Company has allotted 1,95,448 equity shares of face value of ₹ 2 each to the eligible employees of the Company under Employee Stock Option Plan 2007 / Restricted Stock Option Plan 2014 / Employee Stock Option Plan 2021 pursuant to the ESOP Guidelines, as amended from time to time.
- 8] RBI vide circular dated 12 November, 2021 read with clarification dated 15 February, 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. Effective previous quarter ended 30 September 2022, the Company has aligned the classification of Gross Stage 3 assets under Ind AS with the regulatory norms.
- 9] Effective 01 October 2022, the Company has been categorised as NBFC-ML under the RBI Scale Based Regulation dated 22 October 2021. Accordingly, the Company has taken steps wherever applicable to ensure compliance with the said regulation.
- 10] During the nine month period ended 31 December 2022, the Company has issued Commercial Paper listed on the Bombay Stock Exchange (BSE) pursuant to SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021 as amended, for which, refer the disclosure on regulation 52(4) separately filed with Stock Exchanges.
- 11] During the quarter ended 30 June 2022, the Company has sold its shareholding in its Joint Venture (JV) namely Magma HDI General Insurance Company Limited (Magma HDI) based on requisite regulatory approvals received on 27 May 2022. Accordingly, the resultant gain of ₹ 251.85 crores has been classified and presented as an exceptional item in line with Ind AS 1 "Presentation of Financial Statements". The Company had created a one-time provision of ₹ 223.75 crores in respect of existing assets-based finance portfolio on account of further anticipated slippages in future due to discontinuance of further loans in this segment. Further, intangible assets having book value of ₹ 7.25 crores which have been replaced with a new system, were written off. The above items are presented as exceptional items on a net basis.
- 12] During the quarter ended 31 December 2022, the Company has entered into a definitive share purchase agreement with Perseus SG Pte. Ltd., an entity affiliated to TPG Global LLC, to divest its entire holding in Poonawalla Housing Finance Limited (Formerly, Magma Housing Finance Limited) ("PHFL"), at a purchase consideration based on a per equity share price of ₹ 152.84 representing a total equity value ₹ 3900 crores. This divestment has been approved by the Board of Directors in their meeting held on 14 December 2022 and is subject to shareholders and requisite regulatory approvals. The Company will do the necessary accounting and classification of such investments in line with the requirements of Ind AS 105 "Non-current assets Held for Sale" as and when such approvals are obtained.
- 13] Pursuant to the Regulation 54 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the listed secured non-convertible debentures issued by the Company are fully secured by way of hypothecation over the book debt/ receivables and/or by mortgage of the Company's immovable properties, to the extent as stated in the respective information memorandum. Further, the Company has maintained security cover (100%) as stated in the respective information memorandum which is sufficient to discharge the principal and the interest amount at all times for the non-convertible debt securities issued by the Company.
- 14] As at 31 December 2022, the security cover available in respect of secured non-convertible debentures is more than 100%. The security cover certificate as per regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) regulations, 2015 (as amended) read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated 19 May 2022, has been separately filed with Stock Exchanges.

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2022

15] Disclosure 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 nine month period ended 31 December 2022

Count of Loan accounts Assigned	35,414
Amount of Loan accounts Assigned (₹ in crores)	547.86
Retention of beneficial economic interest (MRR)	10%
Weighted Average Maturity (Residual Maturity)	19 months
Weighted Average Holding Period	30 months
Coverage of tangible security	100%
Rating wise distribution of rated loans	NA

(b) Details of acquired through assignment in respect of loans not in default during nine month period ended 31 December 2022

Particulars	Secured	Unsecured
Amount of loan accounts acquired (₹ in crores)	521.75	NIL
Weighted average maturity (in months) *	91	
Weighted average holding period (in months)	12	
Retention of beneficial economic interest **	10.00%	
Coverage of tangible security	100.00%	
Rating-wise distribution of rated loans	Unrated	

* At the time of acquisition

** Retained by the originator

(c) Details of stressed loans transferred during nine month period ended 31 December 2022

Particulars	To ARCs*	To permitted transferees #	To other transferees
No of accounts	9,893	-	-
Aggregate principal outstanding of loans transferred*	280.93	-	-
Weighted average residual tenor of the loans transferred (in months)	32	-	-
Net book value of loans transferred (at the time of transfer)*	236.19	-	-
Aggregate consideration (₹ in crores)	235.36	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

* In addition to above, during current quarter, the Company has transferred 26,456 loan accounts for an aggregate consideration of ₹80.00 crores. These loan accounts were already written off in the books before such sale transactions.

#The Company has transferred 3718 loan accounts for an aggregate consideration of ₹6.05 crores during nine month ended 31 December 2022. These loan accounts were already written off in the books before such sale transactions.

16] 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.

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

ABHAY
SURESHKUMA
R BHUTADA

Digitally signed by
ABHAY SURESHKUMAR
BHUTADA
Date: 2023.01.23
15:07:07 +05'30'

Abhay Bhutada
Managing Director
DIN No.: 03330542

Place : Pune
Dated : 23 January 2023

Registered Office : 201 and 202, 2nd Floor, AP81, Koregaon Park Annexe, Mundhwa, Pune-411 036, Maharashtra

Website : www.poonawallafincorp.com; **CIN :** L51504PN1978PLC209007

Phone: +91 020 67808090; **E-mail:** info@poonawallafincorp.com