

HFFCIL/BSE/NSE/EQ/78/2023-24

Date: 26-10-2023

To, BSE Limited, Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Scrip Code- 543259	To, The National Stock Exchange of India Limited, The Listing Department, Bandra Kurla Complex, Mumbai- 400 051. Scrip Symbol- HOMEFIRST
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Sub: Outcome of the Board Meeting held on Thursday, October 26, 2023 and submission of Reviewed Financial Results for the quarter and half year ended September 30, 2023

Dear Sir / Madam,

Pursuant to Regulation 30 (read with Para A, Part A of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“SEBI Listing Regulations”), this is to inform you that the Board of Directors of the Company (“Board”) at its Meeting held today i.e. Thursday, October 26, 2023, has *inter alia*, considered and approved the following matters:

- A. Pursuant to Regulation 33 of SEBI Listing Regulations, approved the Reviewed Financial Results of the Company for the quarter and half year ended September 30, 2023.

A copy of the said Financial Results along with the Limited Review Report submitted by Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, along with half yearly Statement on Assets and Liabilities and Statement of Cash flows are enclosed. (**Annexure-1**)

- B. Offer, issue and allotment in one or more tranches, Non-Convertible Debentures (“NCDs”) or such other structured instrument(s) for an amount not exceeding Rs. 700 crores (Rupees Seven Hundred Crores only) through private placement, in accordance with Section 42 and Section 71 of the Companies Act, 2013, the relevant rules made thereunder and the SEBI Listing Regulations.
- C. Amendment in the Object Clause of Memorandum of Association (“MOA”) by deletion of sub-clause 4 from Clause III(C) of other objects from existing MOA and insertion of new clause as sub-clause 3 of Clause III(A) in the Main objects of the MOA, subject to the approval of the Shareholders

Clause to be deleted

“III(C) of other objects of MOA

4. To act as corporate agents, representatives, surveyors, sub -insurance agents, franchisees, consultants, advisors, collaborators, group insurance holders for life and general insurance and engage in the activity of promotion, distribution, sales, advertising and marketing of insurance products.”

Clause to be inserted

“III(A) in the Main objects of the MOA

3. To act as corporate agents, representatives, surveyors, sub -insurance agents, franchisees, consultants, advisors, collaborators, group insurance holders for life, general and health insurance and engage in the activity of promotion, distribution, sales, advertising and marketing of insurance products.”

Please note that the said Board Meeting commenced at 3:00 P.M. and concluded at 5:10 P.M.

In terms of SEBI (Prohibition of Insider Trading) Regulations 2015 and Company’s Code of Conduct the trading window for designated persons and their immediate relatives will open from October 30, 2023.

Kindly take the same on record.

For **Home First Finance Company India Limited**

Shreyans Bachhawat
Company Secretary and Compliance Officer
ACS NO: 26700

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HOME FIRST FINANCE COMPANY INDIA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Home First Finance Company India Limited** (the "Company") for the quarter and half year ended September 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 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 the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 23109839BGXQJY4952)

Statement of unaudited financial results for the quarter and half year ended 30 September 2023

(Rs. in million, except per share data)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Revenue from operations						
Interest income	2,491.01	2,313.43	1,727.22	4,804.44	3,273.73	7,222.24
Fees and commission income	23.06	22.73	23.27	45.79	38.70	104.08
Net gain on fair value changes	56.25	71.81	46.23	128.06	67.20	178.81
Net gain on derecognition of financial instruments under amortised cost category	151.40	125.71	93.30	277.11	192.30	380.37
Other operating income	11.59	16.79	3.97	28.38	15.51	24.35
Total revenue from operations	2,733.31	2,550.47	1,893.99	5,283.78	3,587.44	7,909.85
Other income	46.50	47.60	0.09	94.10	0.09	46.13
Total income	2,779.81	2,598.07	1,894.08	5,377.88	3,587.53	7,955.98
Expenses						
Finance costs	1,170.11	1,067.73	711.60	2,237.84	1,318.60	3,042.89
Impairment on financial instruments	79.97	76.86	49.68	156.83	85.83	215.23
Employee benefits expense	368.72	359.05	265.71	727.77	521.53	1,070.13
Depreciation and amortisation	28.45	26.46	22.44	54.91	42.64	90.66
Other expenses	168.14	167.67	152.92	335.81	264.23	584.87
Total expenses	1,815.39	1,697.77	1,202.35	3,513.16	2,232.83	5,003.78
Profit before tax	964.42	900.30	691.73	1,864.72	1,354.70	2,952.20
Tax expense:						
- Current tax	232.40	202.86	168.43	435.26	324.85	714.51
- Deferred tax	(11.53)	6.22	(19.44)	(5.31)	(25.36)	(45.23)
- Tax pertaining to earlier years	0.47	-	-	0.47	-	-
Total tax expense	221.34	209.08	148.99	430.42	299.49	669.28
Profit after tax	743.08	691.22	542.74	1,434.30	1,055.21	2,282.92
Other comprehensive income						
Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	(2.80)	(0.47)	(1.06)	(3.27)	(2.13)	(1.89)
- Income tax relating to items that will not be reclassified to profit or loss	0.70	0.12	0.27	0.82	0.54	0.48
Other comprehensive income	(2.10)	(0.35)	(0.79)	(2.45)	(1.59)	(1.41)
Total comprehensive income	740.98	690.87	541.95	1,431.85	1,053.62	2,281.51
Earnings per share (not annualised for the quarters)						
Basic earnings per share (Rs.)	8.43	7.85	6.19	16.28	12.04	26.01
Diluted earnings per share (Rs.)	8.17	7.61	5.97	15.78	11.62	25.20
Face value of equity shares (Rs.)	2.00	2.00	2.00	2.00	2.00	2.00
Paid up equity share capital	176.34	176.22	175.46	176.34	175.46	176.03
Other equity				19,290.98	16,680.73	17,997.36

Notes:

1 Statement of assets and liabilities as at 30 September 2023

(Rs. in million)

	As at	
	30 September 2023	31 March 2023
	Reviewed	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	4,149.52	2,355.65
Bank balance other than cash and cash equivalents	735.49	628.45
Loans	70,253.33	59,957.00
Investments	3,556.93	2,807.99
Other financial assets	1,294.14	1,240.97
Total financial assets	79,989.41	66,990.06
Non-financial assets		
Current tax assets (net)	25.56	25.80
Deferred tax assets (net)	34.46	28.32
Property, plant and equipment	122.70	116.35
Right of use assets	133.53	137.12
Other intangible assets	3.11	3.79
Other non-financial assets	125.53	88.17
Total non-financial assets	444.89	399.55
Total Assets	80,434.30	67,389.61
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
<u>Payables</u>		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	113.95	149.13
Debt securities	2,772.47	3,469.49
Borrowings (other than debt securities)	57,245.13	44,665.24
Other financial liabilities	643.94	754.46
Total financial liabilities	60,775.49	49,038.32
Non-financial liabilities		
Current tax liabilities (net)	43.09	19.36
Provisions	80.32	59.56
Other non-financial liabilities	68.08	98.98
Total non-financial liabilities	191.49	177.90
Total liabilities	60,966.98	49,216.22
Equity		
Equity share capital	176.34	176.03
Other equity	19,290.98	17,997.36
Total equity	19,467.32	18,173.39
Total Liabilities and Equity	80,434.30	67,389.61

2 Statement of cash flows for the half year ended 30 September 2023

(Rs. in million)

	Half year ended	
	30 September 2023	30 September 2022
	Reviewed	Reviewed
Cash flows from operating activities		
Profit before tax	1,864.72	1,354.70
Adjusted for:		
Interest income on term loans	(4,513.93)	(3,087.08)
Interest on borrowings and debt securities	2,232.28	1,313.66
Income on derecognised (assigned) loans	(78.73)	(16.74)
Depreciation and amortisation	54.91	42.64
Interest income on bank deposits	(96.65)	(45.58)
Interest income on investments	(63.24)	(20.54)
(Gain)/ Loss on sale of property, plant and equipment (net)	(0.02)	0.02
Financial lease liability	4.76	4.85
Unrealised gain on investments	1.63	(5.94)
Impairment on financial instruments	156.83	85.83
Fair valuation of ESOPs	74.89	51.23
Operating profit before working capital changes and adjustment for interest received and paid	(362.55)	(322.95)
Adjustment for working capital:		
- (Increase) in loans given	(10,408.88)	(8,516.94)
- Decrease/ (Increase) in other financial assets	22.65	(14.86)
- Decrease in other non financial assets	14.99	24.15
- (Decrease)/ Increase in trade payables	(35.18)	33.96
- (Decrease)/ Increase in other financial liabilities	(15.49)	144.75
- (Decrease)/ Increase in other non financial liabilities	(29.08)	5.65
- Increase in provisions	18.83	16.24
Cash used in operating activities before adjustment for interest received and paid	(10,794.71)	(8,630.00)
- Interest income received	4,468.87	3,109.67
- Interest expense paid	(2,396.53)	(1,185.96)
Cash used in operating activities	(8,722.37)	(6,706.29)
Income tax paid (net)	(411.77)	(292.82)
Net cash (used in) operating activities [A]	(9,134.14)	(6,999.11)
Cash flows from investing activities:		
Purchase of property, plant and equipment and other intangible assets	(32.74)	(26.70)
Proceeds from sale of property, plant and equipment and other intangible assets	0.06	0.01
Purchase of investments	(16,093.00)	(22,829.59)
Proceeds from redemption of investments	15,364.97	19,456.20
Placement of bank deposits	(12,230.00)	(2,550.00)
Proceeds from bank deposits	12,134.36	2,638.25
Interest received on bank deposits	85.25	41.37
Interest received on investments	40.70	3.06
Net cash (used in) investing activities [B]	(730.40)	(3,267.40)
Cash flows from financing activities:		
Proceeds from issuance of share capital (including share premium)	15.59	12.73
Share application money received	0.63	1.77
Proceeds from borrowings from banks and financial institutions	18,900.00	10,890.00
Repayment of borrowings from banks and financial institutions	(6,295.53)	(3,961.61)
Repayment of lease liability	(33.25)	(27.66)
Repayment of debt securities	(700.00)	0.00
Proceeds from/ (Repayment of) demand loans	-	(24.82)
Dividend paid on equity shares	(229.03)	-
Net cash generated from financing activities [C]	11,658.41	6,890.41
Net increase/ (decrease) in cash and cash equivalents [A+B+C]	1,793.87	(3,376.10)
Cash and cash equivalents at the beginning of the period	2,355.65	6,177.60
Cash and cash equivalents at the end of the period	4,149.52	2,801.50

3 The financial results of the Company have been prepared by the management in accordance with the recognition and measurement principles, laid down under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (as amended).

4 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 26 October 2023 and have been subjected to limited review by the statutory auditors.

5 During the quarter and half year ended 30 September 2023, 63,958 and 1,55,285 equity shares respectively have been allotted to employees who have exercised their options under the approved employee stock option schemes.

6 Disclosures required under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 05 May 2021 with reference to disclosures stated under Format-B prescribed in the Resolution Framework – 1.0.

(Rs. in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
	(A)	(B)	(C)	(D)	
Personal Loans	107.27	12.16	-	7.48	87.63
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	107.27	12.16	-	7.48	87.63

7 The Company's main business is financing by way of loans towards affordable housing segment in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

8 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021:

a. Details of transfer through direct assignment in respect of loans not in default:

Particulars	Half year ended 30 September 2023
Number of loans	3,691
Aggregate amount of loans transferred (Rs. in million)	1,958.22
Sale consideration (Rs. in million)	1,762.40
Number of transactions	5
Weighted average remaining maturity (in months)	286.03
Weighted average holding period after origination (in months)	14.92
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA
Number of transferred loans replaced	NA

b. The Company has not acquired any loan not in default during the half year ended 30 September 2023.

c. The Company has not transferred or acquired any stressed loan during the half year ended 30 September 2023.

9 Figures of previous periods/year have been regrouped and/ or reclassified wherever considered necessary.

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director and Chief Executive Officer
DIN: 01741612
Place: Mumbai
Date: 26 October 2023