

HFFCIL/BSE/NSE/EQ/121/2021-22

Date: 27-01-2022

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, January 27, 2022

Dear Sir / Madam,

In terms of provision of Regulation 30 (read with PARA A of 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., on Thursday, January 27, 2022, has inter- alia, considered and approved the following matters:

1. Pursuant to Regulation 33 and 52 of SEBI Listing Regulations, we hereby inform you that the Board of Directors ("Board") of the Company has, inter alia, approved the Reviewed Financial Results of the Company for the quarter ended December 31, 2021. (Enclosed as **Annexure – 1**)
A copy of the said financial results along with the limited review report along with the additional information in compliance with Regulation 52(4) and 54 (2) of the SEBI Listing Regulations are enclosed. (**Annexure - A**)
2. Taking note of the resignation of Mr. Rajagopalan Santhanam (DIN: 00025669), Nominee Director of the Company with effect from close of business hours of January 31, 2022. (Disclosure as per **SEBI CIR/CFD/CMD/4/2015 dated September 9, 2015** and Resignation Letter is enclosed as **Annexure – 2**)
3. Approved the appointment of Ms. Sucharita Mukherjee (DIN: 02569078) as an Additional Non-Executive Independent Director of the Company with effect from February 1, 2022 subject to the approval of the Members. (Brief Profile as per **SEBI CIR/CFD/CMD/4/2015 dated September 9, 2015** is enclosed as **Annexure - 3**)

Ms. Sucharita Mukherjee is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority

Please note that the said Board Meeting commenced at 2:00 P.M. and concluded at 5:00 P.M. We request you to take the aforesaid on the record.

For Home First Finance Company India Limited



Shreyans Bachhawat
Company Secretary and Compliance Officer
ACS NO: 26700



Deloitte Haskins & Sells

Chartered Accountants
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Ahmedabad – 380 015
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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 nine months ended December 31, 2021 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 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 and Regulation 52 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.
5. We draw attention to Note 5 to the financial results, which describe the continuing impact of the COVID-19 Pandemic on the Company's financial results which are dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of this matter.

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Deloitte Haskins & Sells

6. The comparative financial information of the Company for the previous year reporting periods included in the Statement have been reviewed/ audited by the predecessor auditor. The reports of the predecessor auditor on the previous year comparative financial information expressed an unmodified conclusion/ opinion.

Our conclusion is not modified in respect of this matter.

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



G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 22109839AAAAAY6458)

Place: Mumbai
Date: January 27, 2022

Statement of unaudited financial results for the quarter and nine months ended 31 December 2021

(Rs in millions, except per share data)

Particulars	Quarter ended			Period ended		Year ended
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Revenue from operations						
Interest income	1,269.66	1,206.30	1,067.93	3,630.61	3,142.82	4,236.98
Fees and commission income	12.16	14.28	8.39	38.40	29.54	52.04
Net gain on fair value changes	32.56	45.88	22.75	117.13	83.02	120.00
Net gain on derecognition of financial instruments under amortised cost category	175.77	170.74	-	540.16	257.63	439.35
Other operating income	26.73	24.19	3.53	69.59	19.69	37.73
Total revenue from operations	1,516.88	1,461.39	1,102.60	4,395.89	3,532.70	4,886.10
Other income	0.16	-	0.27	0.26	0.44	0.43
Total income	1,517.04	1,461.39	1,102.87	4,396.15	3,533.14	4,886.53
Expenses						
Finance costs	552.39	564.12	543.95	1,648.27	1,656.85	2,201.56
Impairment on financial instruments	59.70	33.27	73.94	223.39	238.07	321.53
Employee benefits expense	201.23	191.53	173.90	578.27	471.91	661.26
Depreciation and amortisation	18.80	19.06	18.92	56.69	57.91	76.24
Other expense	93.45	90.33	80.18	258.70	193.10	285.51
Total expenses	925.57	898.31	890.89	2,765.32	2,617.84	3,546.10
Profit before tax	591.47	563.08	211.98	1,630.83	915.30	1,340.43
Tax expense:						
- Current tax	103.30	110.46	83.91	301.85	226.98	292.28
- Deferred tax	28.80	3.95	(31.02)	69.88	5.86	49.53
- Taxes pertaining to earlier years	-	-	-	-	(6.11)	(2.80)
Total tax expense	132.10	114.41	52.89	371.73	226.73	339.01
Profit after tax	459.37	448.67	159.09	1,259.10	688.57	1,001.42
Other comprehensive income						
Items that will not be reclassified to profit / loss						
- Remeasurements of the defined benefit plans	(1.10)	(1.09)	(2.31)	(3.29)	(4.36)	(4.38)
- Income tax relating to items that will not be reclassified to profit / loss	0.28	0.27	0.59	0.83	1.10	1.10
Other comprehensive income	(0.82)	(0.82)	(1.72)	(2.46)	(3.26)	(3.28)
Total comprehensive income	458.55	447.85	157.37	1,256.64	685.31	998.14
Earnings per share (not annualised for the quarter / nine months period)						
Basic earnings per share (Rs)	5.25	5.13	1.95	14.39	8.67	12.37
Diluted earnings per share (Rs)	5.14	5.03	1.92	14.11	8.56	12.18
Face value of equity shares (Rs)	2.00	2.00	2.00	2.00	2.00	2.00
Paid up equity share capital	175.17	175.05	164.54	175.17	164.54	174.80
Other equity						13,630.63

Note: Refer Annexure A for analytical ratios in compliance with Regulation 52(4) of SEBI (Listing Obligations and Disclosure requirements), Regulations 2015.

Notes:

- 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 and 52 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (as amended).
- The above financial results which have been subjected to limited review by statutory auditors of the Company, have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its respective meetings held on 27 January 2022.
- During the nine months ended 31 December 2021, certain employees have exercised their options under the ESOP scheme 2012 & ESOP scheme II to the tune of 185,116
- The Company on 15 December 2021 issued an ESOP grant under ESOP scheme 2021 of 9,25,000 options for exercise price of Rs.851.10 per option.



5 The Indian government announced a lockdown in March 2020, post the outbreak of Covid-19 pandemic. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided. The world is now experiencing another outbreak on account of a new variant leading to imposition of some localised/ regional restrictions.

The Company has considered internal and external sources of information for assessing the credit risk and impact on the Company's financial assets, including management overlays for the purpose of determination of the provision for impairment of financial assets. The Company has made a provision of Rs. 20.49 millions and has taken a write off (including unrecoverable partial loan balances), amounting to Rs. 202.90 millions during the nine months ended 31 December 2021 leading to impairment cost of Rs. 223.40 millions for the period.

The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

6 The Company has not invoked or implemented resolution plan under the "Resolution Framework for COVID-19 related Stress" as per RBI circular dated 6 August 2020 for any of its borrower accounts.

7 Details as on 31 December 2021 of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

Particulars		Individual Borrowers		Small Businesses
		Personal loan	Business loan	
Number of requests received for invoking resolution process under Part A	A	1009*	NA	NA
Number of accounts where resolution plan has been implemented under this window	B	943**	NA	NA
Exposure to accounts mentioned at (B) before implementation of the plan	C	316.12	NA	NA
Of (C), aggregate amount of debt that was converted into other securities	D	-	NA	NA
Additional funding sanctioned, if any, including between invocation of the plan and implementation	E	-	NA	NA
Increase in provisions on account of the implementation of the resolution plan	F	41.01	NA	NA

* 339 customers having 1009 accounts

** 314 customers having 943 accounts who have availed the resolution plan framework 2.0

8 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company has changed its NPA definition to comply with the norms/ changes for regulatory reporting, as applicable. The Company has also on the basis of prudence, aligned Stage 3 definition to revised NPA definition. This has resulted in classification of loans amounting to Rs. 339.2 million as non-performing assets (Stage 3) as at 31 December 2021 in accordance with regulatory requirements. However, the said change does not have a material impact on the financial results for the quarter / nine months ended December 31, 2021.

9 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 during the nine months ended 31 December 2021

Particulars	Nine months ended 31 December 2021
Number of loans	6,160
Aggregate amount (Rs. In millions)	3,996.15
Safe consideration (Rs. In millions)	3,596.53
Number of transactions	4
Weighted average remaining maturity (in months)	207.23
Weighted average holding period after origination (in months)	20.40
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	Nil
Number of transferred loans replaced	Nil

b. The Company has not acquired any loan not in default during the nine months ended 31 December 2021.

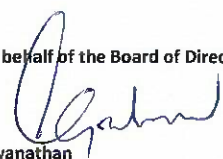
c. The Company has not transferred or acquired any stressed loan during the nine months ended 31 December 2021.

10 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'.

11 The comparative financial information of the Company for the previous reporting periods/ year included in the Statement have been reviewed/ audited by the predecessor auditor. The reports of the predecessor auditor on these comparative financial information expressed an un-modified conclusion/ opinion.

12 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: 27 January 2022



Annexure A

Disclosure in compliance with Regulations 52(4) and 54 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) for the quarter ended December 31, 2021.

a) Debt-Equity ratio*

The debt-equity ratio of the Company as per the Reviewed Financial Results by statutory auditors for the quarter ended December 31, 2021 is 2.0.

b) Debt service coverage ratio

Not applicable

c) Interest service coverage ratio

Not applicable

d) Outstanding redeemable preference shares (quantity and value)

Not applicable

e) Capital redemption reserve / Debenture redemption reserve

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b) of Companies (Share Capital and Debenture) Rules, 2014.

f) Networth**

Rs. 15,100.25 millions

g) Net profit after tax:

Rs. 459.37 millions

h) Earnings per share

a. Basic – Rs. 5.25

b. Diluted - Rs. 5.14

i) Current Ratio: 1.03

j) Long term Debt to working capital: NA

k) Bad debts to account receivable ratio: NA

l) Current Liability Ratio: 0.28

m) Total Debts to Total Assets: 0.65

n) Debtors Turnover- N.A.

o) Inventory Turnover -N.A.

p) Operating Margin (%): 38.98%

q) Net Profit Margin (%): 30.28%




r) **Sector specific equivalent ratios, as applicable**

- i) % of Gross NPA to loan assets: 2.56 %
- ii) % of Net NPA to Net assets: 2.00%
- iii) Provision coverage ratio: 46.22%
- iv) Liquidity coverage ratio: 389%

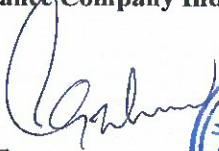
* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth.

** Networth is equal to paid up equity share capital plus other equity.

s) **Asset Cover under Regulation 54 (2) of LODR Regulations.**

- i) **Extent:** 100% of outstanding secured Non-Convertible Debentures as on December 31, 2021.
- ii) **Nature of Security created:** Secured by first pari passu charge by way of hypothecation of standard receivables and book debts, cash and cash equivalents and liquid investments.

For Home First Finance Company India Limited


Manoj Viswanathan
Managing Director & CEO
DIN: 01741612
Place: Mumbai
Date: January 27, 2022



Disclosures pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015:

Annexure -2

Resignation of Mr. Rajagopalan Santhanam (DIN: 00025669) as Nominee Director of the Company:

Name of Director	Rajagopalan Santhanam
Reason for change viz. appointment, resignation, removal, death or otherwise	Owing to pre-occupation, Mr. Santhanam tendered his resignation.
Date of appointment/ cessation (as applicable)	Cessation with effect from January 31, 2022.
Term of appointment	Not Applicable
Brief Profile	
Disclosure of relationships between directors	



Rajagopalan Santhanam
Flat No 2204, Odyssey 2
Hiranandani Gardens, Powai
Mumbai - 400 076

January 27, 2022

To
Board of Directors
Home First Finance Company India Limited
511, Acme Plaza Andheri Kurla Road
Andheri East Mumbai - 400059

Dear Sirs,

Re: Resignation as Nominee Director

Owing to other preoccupations, I hereby tender my resignation as Nominee Director of Aether (Mauritius) Limited on the board of Home First Finance Company India Limited with effect from January 31, 2022.

Kindly acknowledge the receipt of this resignation letter and submit the necessary forms with the office of the Registrar of Companies for completing the resignation process.

I would like to thank the other Directors for the support provided to me during my tenure.

Yours sincerely,



Rajagopalan Santhanam
DIN: 00025669

Appointment of Ms. Sucharita Mukherjee

Name of Director	Sucharita Mukherjee
Reason for change viz. appointment, resignation, removal, death or otherwise	Ms. Mukherjee's extensive knowledge as well as her expertise and hands on experience in the fintech industry will further strengthen the Board skills. Her knowledge of local and global emerging trends, organizational systems, complex regulatory environments and business processes, strategic planning and risk management will guide the Company towards the achievement of its objectives more effectively.
Date of appointment/ cession (as applicable)	Appointment with effect from February 1, 2022.
Term of appointment	Independent Director, not liable to retire by rotation. Appointment for a term of 5 (five) years commencing from February 1, 2022 up to January 31, 2027.
Brief Profile	<p>Ms. Mukherjee is the Co-founder, whole-time director and CEO of Kaleidofin, a neo-bank that provides intuitive and tailored financial solutions to over a million underbanked customers in India. Prior to this, she co-founded the IFMR group and most recently was the group CEO of IFMR Holdings. She conceptualized and founded Northern Arc Capital, building capital markets access for financial inclusion and Northern Arc Investments, an alternatives fund management platform focused on informal sector finance.</p> <p>Ms. Mukherjee was recently chosen as a young global leader by the World Economic Forum. She was chosen as one of the "top 40 under forty" business leaders by Economic Times in 2016 and received the IIM Ahmedabad, Young Alumni Achievers Award in 2017. Prior to her move to India, she was an investment banker at Morgan Stanley and Deutsche Bank in London, working primarily on credit derivatives structuring and sales.</p> <p>She is an alumna of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University.</p>
Disclosure of relationships between directors	Nil

