

HFFCIL/BSE/NSE/EQ/05/2020-21

Date: 12-02-2021

To, <b>BSE Limited,</b> Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Scrip Code- <b>543259</b>	To, <b>The National Stock Exchange of India Limited,</b> The Listing Department, Bandra Kurla Complex, Mumbai- 400 051.  Scrip Symbol- <b>HOMEFIRST</b>
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**Sub: Outcome of Board Meeting held on Friday, February 12, 2021**

Dear Sir/Madam,

Pursuant to applicable provisions of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company ("Board") at its Meeting held today i.e. on Friday, February 12, 2021, has *inter- alia*, considered and approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2020 ("Financial Results").

Please find enclosed herewith the following:

1. Limited Review Report submitted by Statutory Auditors of the Company, Walker Chandio & Co LLP, Chartered Accountants;
2. Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2020.

Please note that the said Board Meeting commenced at 2:30 P.M. and concluded at 5:15 P.M.

Kindly take the same on record.

For **Home First Finance Company India Limited**

**Shreyans Bachhawat**  
**Company Secretary and Compliance Officer**  
**ACS NO: 26700**

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**Walker Chandiook & Co LLP**

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**Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company**

**To the Board of Directors of Home First Finance Company India Limited**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **Home First Finance Company India Limited** ('the Company') for the quarter ended **31 December 2020** and the year to date financial results for the period 01 April 2020 to 31 December 2020, being voluntarily submitted by the Company using the prescribed format given under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the figures for the preceding and corresponding quarter ended 30 September 2020 and 31 December 2019 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The 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 Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and in accordance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. 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.
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, 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 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.

**Home First Finance Company India Limited  
Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date  
Financial Results of the Company**

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5. We draw attention to note number 4 to the accompanying financial results, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on the Company's operations and the impact on the appropriateness of the impairment provision recognised towards the loan asset outstanding as at 31 December 2020. Our conclusion is not modified in respect of this matter.

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

**SUDHIR  
NARAYANA  
PILLAI**

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**Sudhir N. Pillai**  
Partner  
Membership No:105782

**UDIN:21105782AAAABS5372**

Place: Mumbai  
Date: 12 February 2021

**Home First Finance Company India Limited**  
**Registered office: 51 I, Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai 400059**  
**CIN: U65990MH2010PLC240703**

**Statement of unaudited financial results for the quarter ended and nine months ended 31 December 2020**

(Rs. in millions, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	Unaudited	Unaudited Refer note 10	Unaudited Refer note 10	Unaudited	Audited	Audited
<b>Revenue from operations</b>						
Interest income	1,067.93	1,024.39	961.50	3,142.82	2,565.86	3,548.39
Fees and commission income	8.34	8.13	11.83	20.53	22.82	38.40
Net gain on derecognition of financial instruments under amortised cost category	-	-	160.00	257.63	371.22	371.22
Other operating income	5.34	31.47	14.35	31.90	27.18	28.57
<b>Total revenue from operations</b>	<b>1,081.61</b>	<b>1,063.99</b>	<b>1,147.68</b>	<b>3,452.88</b>	<b>2,987.08</b>	<b>3,986.58</b>
Other income	23.02	32.49	59.64	83.46	158.44	210.17
<b>Total income</b>	<b>1,104.63</b>	<b>1,096.48</b>	<b>1,207.32</b>	<b>3,536.34</b>	<b>3,145.52</b>	<b>4,196.75</b>
<b>Expenses</b>						
Finance costs	543.95	566.73	510.96	1,656.85	1,429.33	1,938.28
Impairment on financial instruments	73.94	119.52	8.40	238.07	47.86	165.04
Employee benefits expense	173.87	152.31	153.28	471.88	455.03	610.75
Depreciation and amortisation	18.92	19.37	19.19	57.91	51.55	72.39
Other expenses	81.97	62.84	109.38	196.33	252.60	336.96
<b>Total expenses</b>	<b>892.65</b>	<b>920.77</b>	<b>801.21</b>	<b>2,621.04</b>	<b>2,236.37</b>	<b>3,123.42</b>
<b>Profit before tax</b>	<b>211.98</b>	<b>175.71</b>	<b>406.11</b>	<b>915.30</b>	<b>909.15</b>	<b>1,073.33</b>
<b>Tax expense:</b>						
- Current tax	83.91	76.13	66.74	226.98	155.95	231.90
- Deferred tax charge / (credit)	(31.02)	(37.65)	38.78	5.86	82.41	45.91
- Excess provision for tax for earlier years written back	-	(6.11)	-	(6.11)	-	-
<b>Total tax expense</b>	<b>52.89</b>	<b>32.37</b>	<b>105.52</b>	<b>226.73</b>	<b>238.36</b>	<b>277.81</b>
<b>Profit after tax</b>	<b>159.09</b>	<b>143.34</b>	<b>300.59</b>	<b>688.57</b>	<b>670.79</b>	<b>795.52</b>
<b>Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit / (loss)						
- Remeasurements of the defined benefit plans	(2.31)	(1.52)	(0.08)	(4.36)	(3.20)	(2.14)
- Income tax relating to items that will not be reclassified to profit / (loss)	0.59	0.38	0.01	1.10	0.80	0.54
<b>Other comprehensive income/(loss)</b>	<b>(1.72)</b>	<b>(1.14)</b>	<b>(0.07)</b>	<b>(3.26)</b>	<b>(2.40)</b>	<b>(1.60)</b>
<b>Total comprehensive income</b>	<b>157.37</b>	<b>142.20</b>	<b>300.52</b>	<b>685.31</b>	<b>668.39</b>	<b>793.92</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	1.95	1.83	3.84	8.67	9.31	10.81
Diluted earnings per share (Rs.)	1.92	1.78	3.76	8.56	9.11	10.57
Face value of equity shares	2.00	2.00	2.00	2.00	2.00	2.00

**Notes to financial results:**


- The Company's equity shares have been listed on National Stock Exchange of India Limited ("NSE") and on BSE Limited ("BSE") on 3 February 2021, by completing the Initial Public Offering (IPO) of 22,272,556 equity shares of face value of Rs. 2.00 each at an issue price of Rs. 518.00 per equity share, consisting of fresh issue of 5,115,830 equity shares and an offer for sale of 17,156,726 equity shares by the selling shareholders. The net proceeds from fresh issue in the IPO will be utilised towards augmenting capital base to meet our future capital requirements, arising out of the growth of our business and assets.  
These unaudited financial results ("Statement") has been prepared voluntarily by the management of the Company using the prescribed format given under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) 2015 (as amended) due to listing of Company's equity shares on NSE and on BSE on 3 February 2021.
- The above statements have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 February 2021 and subject to limited review by the statutory auditors of the Company.
- In view of the Supreme Court interim order dated 3 September 2020 in public interest litigation (PIL) by Gajendra Sharma vs. Union of India & ANR, no additional borrower accounts under moratorium granted category have been classified as Non Performing Asset (NPA) which were not declared as NPA till 31 August 2020. However, the Company has classified such accounts as stage 3 and provisioned accordingly in the Statement of Profit and Loss for the quarter and nine months ended 31 December 2020.



**Notes to financial results (cont.):**

- 4 The outbreak of COVID-19, has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. To alleviate the lingering impact of COVID-19 pandemic, the Reserve Bank of India (RBI) had issued guidelines relating to COVID-19 Regulatory Package providing moratorium of six months on the payment of all principal amounts and interest falling due between 1 March 2020 and 31 August 2020. Accordingly, the Company granted moratorium option to its customers for the period 1 March 2020 to 31 August 2020. The Company has managed its credit risk through effective monitoring of the collections during the pandemic period, also the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. Expected credit loss (ECL) has been calculated after considering the risk including Covid-19 resulting in a total ECL of Rs. 452.25 millions as at 31 December 2020 (30 September 2020: Rs. 398.93 millions; 31 March 2020: Rs. 267.46 millions; 31 December 2019: Rs. 156.39 millions). Net charge to profit and loss on account of total ECL including Covid-19 for quarter ended 31 December 2020 is Rs. 53.32 millions (charge for nine months ended 31 December 2020: Rs. 184.79 millions). However the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes on account of future economic conditions.
- 5 Company has issued secured, rated, listed, redeemable Non-Convertible Debentures (NCD's) on private placement basis on 11 June 2020 (450 units), 18 June 2020 (250 units), 23 June 2020 (1,200 units) and on 22 July 2020 (500 units) of Rs 1 million per unit. Outstanding balance of such NCD's as at 31 December 2020 is Rs 2,400 millions. These debentures are listed on wholesale debt segment of Bombay Stock Exchange and secured against the first pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the issuer) by way of hypothecation on Company's present and future receivables and book debts, cash and cash equivalents and liquid investments, as may be identified by the Company.
- 6 Operating segments are reported in a manner consistent with the integral reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment "Financing". Thus, as defined under Ind AS 108 "Operating Segments", the Company's entire business falls under one operational segment.
- 7 During the nine months ended 31 December 2020, the Company sold some loans measured at amortised cost as per assignment deal, as a source of finance. As per the terms of deal, since the derecognition criteria as per Ind AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the period for its business model based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.
- 8 The Company has made preferential allotment of 2,240,639 equity shares to Orange Clove Investments B.V (an affiliate of Warburg Pincus) on 15 October 2020, for a consideration of Rs. 334.726 per share (i.e. having face value of Rs. 2 and premium of Rs. 332.726) aggregating to approximately Rs. 750.00 millions. Further on 30 November 2020 Company has made preferential allotment of 122,000 equity shares to its employees and KMP's for a consideration of Rs. 334.726 per share (i.e. having face value of Rs. 2 and premium of Rs. 332.726) aggregating to Rs. 40.84 million.
- 9 During the nine months ended 31 December 2020, certain employees and KMP's have exercised their options under the ESOP scheme I & II to the tune of 1,610,607 options resulting in an increase in share capital by Rs. 3.22 millions and increase in securities premium by Rs. 101.66 millions.
- 10 The statement includes results for the quarters ended 30 September 2020 and 31 December 2019 which are presented based on the information compiled by the management in accordance with Ind AS which have not been subject to audit or review by statutory auditors.
- 11 Figures of previous periods have been regrouped and/ or reclassified wherever considered necessary.

For and on behalf of the Board of Directors

  
**Manoj Viswanathan**  
Managing Director & Chief Executive Officer  
DIN: 01741612  
Place: Mumbai  
Date: 12 February 2021

