RELIANCE HOME FINANCE

August 13, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 540709

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: RHFL

Dear Sir(s),

Sub.: Unaudited Financial Results for the quarter ended June 30, 2019

Further to our letter dated August 7, 2019 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), we enclose herewith the Unaudited Financial Results for the quarter ended June 30, 2019 alongwith Limited Review Report submitted by the Statutory Auditors of the Company.

The above financial results were approved by the Board of Directors at its meeting held on August 13, 2019. The meeting of the Board of Directors of the Company commenced at 4:30 p.m. and concluded at 9:00 p.m.

Thanking you.

Yours faithfully,
For **Reliance Home Finance Limited**

Parul Jain
Company Secretary & Compliance Officer

Encl.: As Above.

DHIRAJ & DHEERAJ
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of Reliance Home Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Review Report to
The Board of Directors
Reliance Home Finance Limited

1. We have reviewed the accompanying statement of unaudited Ind AS financial results of **Reliance Home Finance Limited** ("the company") for the quarter ended June 30, 2019 (the "Statement") being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries with 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.

4. Basis for Qualified Conclusion

   We draw attention to note 6 of the Statement with regards to the loan advanced under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at June 30, 2019 aggregating to Rs. 8,078.06 Crs. and secured by charge on current assets of borrowers. As stated in the said note, majority of Company's borrowers have undertaken onward lending transaction and end use of the borrowings from the Company included borrowings by or for repayment of financial obligation to some of the group companies. There has been overdue of Rs. 1,553 Crs of these loans as on June 30, 2019. We are not getting sufficient audit evidence to ascertain recoverability of principal and interest including time frame of recovery of overdues. The Company's exposure to the borrowers are secured against charge on current assets and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the Company/borrower. Further we draw attention to note 3 of the Statement on the material shift in primary business of the Company from Housing Finance to Non-Housing Finance which comprise more than 50% of total loan portfolio raising concern about Company continuing as a Housing Finance Company.

DHIRAJ & DHEERAJ MUMBAI CHARTERED ACCOUNTANTS

511/512, Atlanta Estate, Opp. Westin Hotel, Western Express Highway, Goregaon (East), Mumbai - 400063
Tel.: 022-29277196/97/98 | Email: info@cadhiraj.com | Website: www.cadhiraj.com

5. Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in Basis for Qualified Conclusion, nothing has come to our attention that causes us to believe that the accompanying special purpose Statement of Ind AS financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Going concern

We draw attention to note 4 to the Statement regarding recent developments adversely impacting financial flexibility of the Company and resulting in delayed payment of bank borrowings obligations. The Company's ability to meet its obligation dependent on material uncertain events including restructuring of loan portfolio and Inter Creditor Agreement (ICA) for the resolution of its debt. The Company has taken steps to meet such temporary liquidity mismatch by securitization of its loan portfolio. The Company has also engaged with all its lenders to enter into an Inter Creditor Agreement (ICA) for the resolution of its debt in accordance with circular dated June 7, 2019 issued by the Reserve Bank of India for prudential framework for resolution of stressed assets. The Company is expecting of implementing its resolution plan during the FY 2019-20.

In view of steps taken by the company, the Ind AS Financial Statements of the Company have been prepared by the management on a going concern basis. Our opinion is not modified in respect of this matter.

7. The Ind AS financial results for the quarter ended June 30, 2018 included in the Statement, are based on the previously issued Ind AS financial results prepared in accordance with the Regulation and recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular, reviewed by predecessor auditors whose report for the quarter ended June 30, 2018 dated September 10, 2018 furnished to us which express an unmodified conclusion on Ind AS financial results.

For **Dhiraj & Dheeraj**
Chartered Accountants
Firm's Registration Number: 102454W

Piyush Patni
Partner
Membership Number: 143869

DHIRAJ & DHEERAJ MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: August 13, 2019

UDIN : 19143869AAAABD7899

RELIANCE HOME FINANCE

Reliance Home Finance Limited

Statement of Unaudited Financial Results for the quarter ended June 30, 2019

(Rs. in crore except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended
		Jun-19	Mar-19	Jun-18	Mar-19
		Unaudited	Unaudited	Unaudited	Audited
	Revenue from operations				
(i)	Interest income	525.23	586.18	396.52	1,932.26
(ii)	Fees and commission income	6.93	7.98	6.98	27.60
(iii)	Other operating income	0.80	15.25	0.66	26.17
(I)	**Total Revenue from operations**	**532.96**	**609.41**	**404.16**	**1,986.03**
(II)	**Other Income**	4.02	2.32	6.74	16.56
(III)	**Total Income (I+II)**	**536.98**	**611.73**	**410.90**	**2,002.59**
	Expenses				
(i)	Finance costs	383.94	391.23	285.96	1,322.23
(ii)	Employee benefits expenses	23.61	27.07	30.00	125.15
(iii)	Depreciation and amortisation	0.92	0.98	0.76	3.38
(iv)	Other expenses	22.79	38.90	29.00	114.77
(vi)	Impairment on financial instruments	35.42	313.57	(7.21)	335.46
(IV)	**Total Expenses**	**466.68**	**771.75**	**338.51**	**1,900.99**
(V)	Profit before tax (III-IV)	70.30	(160.02)	72.39	101.60
(VI)	Tax expense				
	- Current Tax	17.58	(13.01)	2.13	1.99
	- Deferred Tax	4.04	(36.81)	21.84	32.19
(VII)	**Net Profit for the period (V-VI)**	**48.63**	**(110.20)**	**48.42**	**67.42**
(VIII)	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss	(0.52)	(0.02)	(0.36)	(0.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.18	0.01	0.12	0.27
	Other comprehensive income ((i)+(ii))	(0.34)	(0.01)	(0.24)	(0.50)
(IX)	**Total comprehensive income for the period (VII+VIII)**	**48.28**	**(110.21)**	**48.18**	**66.92**
(X)	**Earnings per equity share face value of Rs.10 each fully paid up (not annualised)**				
	(a) Basic (Rs.)**	1.00	(2.27)	1.00	1.38
	(b) Diluted (Rs.)**	1.00	(2.27)	1.00	1.38

** Based on weighted average No. of shares

DHIRAJ & DHEERAJ CHARTERED ACCOUNTANTS MUMBAI

RELIANCE HOME FINANCE LIMITED

Reliance Home Finance Limited
Registered Office: Reliance Centre, South Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai – 400 055
T +91 22 3303 6000 / F +91 22 3303 6662, E-mail: rhfl.investor@relianceada.com, Website: www.reliancehomefinance.com
Customer Service: T +91 22 3967 1600 / 1800-300-90909 (toll free) / E-mail: customercare@reliancehomefinance.com

CIN: L67190MH2008PLC183216

RELIANCE HOME FINANCE

Notes:

1. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. Any guidance / clarifications / directions issued by NHB or other regulators are adopted / implemented as and when issued / applicable.

2. The financial results of the Company for the quarter ended June 30, 2019 have been subjected to limited review by the Statutory Auditors of the Company.

3. The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. The Company is in the process of increasing the housing loan portfolio and is confident of the achieving the same in due course.

4. Since the previous financial year, due to sudden adverse developments in the financial sector, all categories of lenders in India (including Banks, Mutual Funds, etc.) have put near complete freeze on additional lending to Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) and have been insisting for reducing the existing level of borrowings which has severely impacted the financial flexibility of majority of NBFCs & HFCs.

   These developments have also adversely impacted our Company resulting into temporary liquidity mismatch. The Company has taken steps to meet such temporary liquidity mismatch by securitisation of its loan portfolio. The Company has also engaged with all its lenders to enter into an Inter-Creditor Agreement (ICA) for the resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already entered into the ICA. The Company is confident of implementing its Resolution Plan during FY 2019-20. In view of the steps taken by the Company, the accounts of the Company have been prepared on Going Concern Basis.

DHIRAJ & DHEERAJ CHARTERED ACCOUNTANTS MUMBAI

RELIANCE HOME FINANCE LIMITED

5. The Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") of the Company aggregating to Rs.6,064 crore as on June 30, 2019 are secured by way of first pari-passu legal mortgage and charge on the Company's immovable property and additional pari-passu charge by way of hypothecation on present and future book debts / receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders for an amount of Rs.5,357 crore, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of hundred per cent of issue amount and security amounting to Rs.707 crore is provided by way of first pari-passu hypothecation charge on all present and future book debts and business receivables of Company's holding company viz. Reliance Capital Limited (except security created / to be created towards securing term loans and cash credit limits). Business receivables include current assets and investments.

6. During the previous Financial Year, the Company had advanced loans under the 'General Purpose Corporate Loan' product to certain bodies corporate including some of the group companies. All the lending transactions undertaken by the Company are in the ordinary course of business, the terms of which are at arms' length basis and the same do not constitute transactions with related parties. However, the Company's borrowers in some cases have undertaken onward lending transactions and it is noticed that the end use of the borrowings from the Company included borrowings by or repayment of financial obligations to some of the group companies

7. Previous period figures have been regrouped / rearranged wherever necessary.

8. The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on August 13, 2019 approved the above results and its release.

DHIRAJ & DHEERAJ CHARTERED ACCOUNTANTS MUMBAI

For **Reliance Home Finance Limited**

Ravindra Sudhalkar
Executive Director & CEO

RELIANCE HOME FINANCE LIMITED

Dated: August 13, 2019