

**INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND
REVIEW OF QUARTERLY FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF
HOME FIRST FINANCE COMPANY INDIA LIMITED****Opinion and Conclusion**

We have (a) audited the Financial Results for the year ended March 31, 2024 and (b) reviewed the Financial Results for the quarter ended March 31, 2024 (refer 'Other Matter' section below), both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2024" of **HOME FIRST FINANCE COMPANY INDIA LIMITED** (the "Company"), (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2024:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2024

With respect to the Financial Results for the quarter ended March 31, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2024

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2024 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors and Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2024 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2024 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2024

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2024 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

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- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Financial Results for the quarter ended March 31, 2024

We conducted our review of the Financial Results for the quarter ended March 31, 2024 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 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 SAs 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.

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Other Matter

The Statement includes the results for the Quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement 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: 24109839BKFTFZ5534

Place: Mumbai
Date: May 8, 2024

Statement of audited financial results for the quarter and year ended 31 March 2024

(Rs. in million, except per share data)

Particulars	Quarter ended			Year ended	
	31 March 2024	31 December 2023	31 March 2023	31 March 2024	31 March 2023
	Reviewed (Refer note 10)	Reviewed	Reviewed (Refer note 10)	Audited	Audited
Revenue from operations					
Interest income	2,826.79	2,645.67	2,046.70	10,276.90	7,222.24
Fees and commission income	29.07	24.47	36.49	99.33	104.08
Net gain on fair value changes	113.10	80.14	68.79	321.30	178.81
Net gain on derecognition of financial instruments under amortised cost category	147.71	206.26	112.03	631.08	380.37
Other operating income	10.94	6.53	4.43	45.85	24.35
Total revenue from operations	3,127.61	2,963.07	2,268.44	11,374.46	7,909.85
Other income	49.86	47.03	44.59	190.99	46.13
Total income	3,177.47	3,010.10	2,313.03	11,565.45	7,955.98
Expenses					
Finance costs	1,458.66	1,302.12	928.77	4,998.62	3,042.89
Impairment on financial instruments	27.44	70.05	69.55	254.32	215.23
Employee benefits expense	365.57	390.10	274.90	1,483.44	1,070.13
Depreciation and amortisation	32.31	30.07	24.75	117.29	90.66
Other expenses	186.04	190.33	175.01	712.18	584.87
Total expenses	2,070.02	1,982.67	1,472.98	7,565.85	5,003.78
Profit before tax	1,107.45	1,027.43	840.05	3,999.60	2,952.20
Tax expense:					
- Current tax	270.40	238.46	201.61	944.59	714.51
- Deferred tax	2.39	0.76	(1.84)	(2.16)	(45.23)
Total tax expense	272.79	239.22	199.77	942.43	669.28
Profit after tax	834.66	788.21	640.28	3,057.17	2,282.92
Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans	1.85	(1.64)	2.37	(3.06)	(1.89)
- Income tax relating to items that will not be reclassified to profit or loss	(0.46)	0.41	(0.59)	0.77	0.48
Other comprehensive income	1.39	(1.23)	1.78	(2.29)	(1.41)
Total comprehensive income	836.05	786.98	642.06	3,054.88	2,281.51
Earnings per share (not annualised for the quarters)					
Basic earnings per share (Rs.)	9.43	8.93	7.28	34.65	26.01
Diluted earnings per share (Rs.)	9.16	8.65	7.06	33.67	25.20
Face value of equity shares (Rs.)	2.00	2.00	2.00	2.00	2.00
Paid up equity share capital	177.03	176.70	176.03	177.03	176.03
Other equity				21,037.82	17,997.36



Notes:

1 Statement of assets and liabilities as at 31 March 2024

(Rs. in million)

	As at	
	31 March 2024	31 March 2023
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	5,804.77	2,355.65
Bank balance other than cash and cash equivalents	2,410.32	628.45
Loans	81,434.38	59,957.00
Investments	3,788.13	2,807.99
Other financial assets	1,440.70	1,240.97
Total financial assets	94,878.30	66,990.06
Non-financial assets		
Current tax assets (net)	2.78	25.80
Deferred tax assets (net)	31.25	28.32
Property, plant and equipment	141.72	116.35
Intangible assets under development	1.81	0.46
Right of use assets	156.44	137.12
Other intangible assets	2.14	3.79
Other non-financial assets	125.12	87.71
Total non-financial assets	461.26	399.55
Total Assets	95,339.56	67,389.61
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Derivative financial instruments	3.44	-
Payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	0.31	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	114.54	149.13
Debt securities	2,775.28	3,469.49
Borrowings (other than debt securities)	70,245.74	44,665.24
Other financial liabilities	788.51	754.46
Total financial liabilities	73,927.82	49,038.32
Non-financial liabilities		
Current tax liabilities (net)	39.95	19.36
Provisions	73.84	59.56
Other non-financial liabilities	83.10	98.98
Total non-financial liabilities	196.89	177.90
Total liabilities	74,124.71	49,216.22
Equity		
Equity share capital	177.03	176.03
Other equity	21,037.82	17,997.36
Total equity	21,214.85	18,173.39
Total Liabilities and Equity	95,339.56	67,389.61



2 Statement of cash flows for the year ended 31 March 2024

(Rs. in million)

	Year ended	
	31 March 2024	31 March 2023
	Audited	Audited
Cash flows from operating activities		
Profit before tax	3,999.60	2,952.20
Adjusted for:		
Interest income on term loans	(9,696.14)	(6,824.97)
Interest on borrowings and debt securities	4,964.33	3,032.56
Net gain on derecognition of financial instruments under amortised cost category	(631.08)	(380.37)
Other interest income on interest strip receivable	(235.91)	(231.38)
Depreciation and amortisation	117.29	90.66
Interest income on bank deposits	(204.46)	(94.48)
Interest income on investments	(138.84)	(67.86)
Loss on sale of property, plant and equipment (net)	2.31	0.23
Financial lease liability (net)	11.66	10.16
Net gain on investments	(324.74)	(178.81)
Unrealised loss on derivative financial instruments	3.44	-
Foreign exchange loss on borrowings	3.34	-
Impairment on financial instruments	254.32	215.23
Expenses on employee stock options scheme	163.68	112.30
Operating profit before working capital changes and adjustment for interest received and paid	(1,711.20)	(1,364.53)
Adjustment for working capital:		
- (Increase) in loans given	(21,612.56)	(17,121.19)
- Decrease/ (Increase) in other financial assets	12.80	(61.32)
- (Increase) in other non financial assets	(32.98)	(13.48)
- (Decrease)/ Increase in trade payables	(34.28)	87.08
- Increase in other financial liabilities	65.93	37.79
- (Decrease)/ Increase in other non financial liabilities	(23.28)	29.16
- Increase in provisions	9.40	8.47
Cash used in operating activities before adjustment for interest received and paid	(23,326.17)	(18,398.02)
- Interest income received	10,238.91	7,420.98
- Interest expense paid	(5,088.60)	(2,988.02)
Cash used in operating activities	(18,175.86)	(13,965.06)
Income tax paid (net)	(900.98)	(720.26)
Net cash (used in) operating activities [A]	(19,076.84)	(14,685.32)
Cash flows from investing activities:		
Purchase of property, plant and equipment and other intangible assets	(79.96)	(71.54)
Proceeds from sale of property, plant and equipment and other intangible assets	0.11	0.07
Purchase of investments	(60,380.25)	(46,803.19)
Proceeds from redemption/ sale of investments	59,746.92	44,220.16
Placement of bank deposits	(20,117.26)	(7,678.45)
Proceeds from bank deposits	18,353.38	7,552.46
Interest received on bank deposits	186.47	92.91
Interest received on investments	116.77	21.71
Net cash (used in) investing activities [B]	(2,173.82)	(2,665.87)
Cash flows from financing activities:		
Proceeds from issuance of share capital (including share premium)	51.93	42.73
Proceeds from borrowings from banks and financial institutions	39,000.00	21,540.00
Repayment of borrowings from banks and financial institutions	(13,409.97)	(9,780.79)
Repayment of lease liability	(71.19)	(57.88)
Proceeds from issue of non-convertible debentures	-	2,800.00
Repayment of debt securities	(700.00)	(990.00)
Proceeds from/ (Repayment of) demand loans	57.97	(24.82)
Dividend paid on equity shares	(228.96)	-
Net cash generated from financing activities [C]	24,699.78	13,529.24
Net increase/ (decrease) in cash and cash equivalents [A+B+C]	3,449.12	(3,821.95)
Cash and cash equivalents at the beginning of the year	2,355.65	6,177.60
Cash and cash equivalents at the end of the year	5,804.77	2,355.65



- 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 08 May 2024 and have been audited by the statutory auditors.
- 5 During the quarter and year ended 31 March 2024, 1,64,133 and 4,99,400 equity shares respectively have been allotted to employees who have exercised their options under the approved employee stock option schemes.
- 6 The Board of Directors at their meeting held on 08 May 2024 recommended dividend of Rs. 3.40 per equity share at 170% of the face value of Rs. 2 for the year ended 31 March 2024 (Previous year: Rs. 2.60 per equity share at 130% of the face value of Rs. 2), subject to shareholders approval at the ensuing Annual General Meeting.
- 7 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	87.63	11.84	-	7.17	68.62
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	87.63	11.84	-	7.17	68.62

- 8 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'.

- 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:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Number of loans	7,484	5,300
Aggregate amount (Rs. in million)	4,601.42	3,214.14
Sale consideration (Rs. in million)	4,141.28	2,892.73
Number of transactions	11	6
Weighted average remaining maturity (in months)	275.64	231.70
Weighted average holding period after origination (in months)	14.59	14.28
Retention of beneficial economic interest	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

b. The Company has not acquired any loan not in default during the year ended 31 March 2024 and 31 March 2023.

c. The Company has not transferred or acquired any stressed loan during the year ended 31 March 2024 and 31 March 2023.

- 10 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

- 11 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: 08 May 2024