



TAMBI & JAIPURKAR

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on the half yearly 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 half year ended on September 30, 2021 (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/CMD1/80/2019 dated July 19, 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 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. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.
4. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing 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. We have not performed an audit and accordingly, we do not express an audit opinion.



Pune : 106, Parmesh Plaza, 1213 SadashivPeth, HattiGanpatiChowk, Pune – 411030.
Washim : C/o S. M. Kasat, Raviwar Bazar, PatniChowk, Washim-444505.
Amravati : Opposite Manibhai Gujrati High School, Ambapeth, Amravati-444601
Raipur : Shop No. 16/17, Jain Hind Hosiery Market, Near Railway Crossing, Pandhari, Raipur-492001.
Chhindwara : Parasia Road, Near Mehta Colony, Chhindwara (M.P.) – 480001.

5. Basis for Qualified Conclusion

We draw attention to note 7 of the Statement with regards to the loan advanced in earlier years under the 'General-Purpose Corporate Loan' product with significant deviations to certain bodies corporate including group companies and outstanding as at September 30, 2021 aggregating to Rs. 7,965.24 crores. As stated in the said note, majority of the 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.

The entire outstanding exposure of Rs. 7,965.24 crores under General purpose corporate loan provided by the company in earlier years is classified as non-Performing asset (NPA) as on September 30, 2021 and the Company's exposure to the borrowers are secured against charge on current assets of the borrowers and is dependent on the recovery of onward lending of the borrowers which depends on external factors not wholly within control of the Company/borrowers. In view of the above, we are unable to substantiate the management assertion on the recoverability of principal and interest including time frame of recovery of aforesaid loans outstanding as on September 30, 2021.

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 comprises 82.5% of total loan portfolio raising concern about Company continuing as a Housing Finance Company.

6. 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.

7. Emphasis of Matter

(i) Going concern

We draw attention to note 5 to the Statement which states that the Company has engaged with 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 for prudential framework for resolution of stressed assets with Bank of Baroda acting as the lead lender (Lead Bank). We are further informed that Lead Bank and ICA lenders had invited Expression of Interest through newspaper advertisement and through the Lead Bank website. The ICA Lenders has evaluated the bids received and selected Authum Investment & Infrastructure Ltd (Authum) as the final bidder as on 19th June 2021. Upon approval of Authum's bid by the ICA lenders, the resolution plan has been presented to the Company along with the fund distribution mechanism and has also placed it before the Board of Directors who took note of the same. The implementation of the resolution plan of the successful bidder is subject to approval of non-ICA Lenders, debenture holders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company.

The Company has defaulted in payment of borrowings obligations amounting to Rs. 8,607.16 crores as on September 30, 2021 and the asset cover has also fallen below hundred percent of outstanding debentures amounting to Rs. 5,967 crores. The Company's ability to meet its obligation dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan by Inter Creditor Agreement for the resolution of its debt under the ICA as stated above and revival of housing finance business.

In view of steps taken by the company and the expected approval of non-ICA Lenders, debenture holders, shareholders, regulatory authorities of resolution plan and its implementation, the statement of unaudited Ind AS financial results of the Company have been prepared by the management on a going concern basis. Our conclusion is not modified in respect of this matter.



8. The unaudited Ind AS financial results for the half year ended September 30, 2020, quarter ended June 20, 2021 and Audited Ind AS financial results the year ended March 31, 2021 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/audited by predecessor auditors whose report for the quarter and half year ended September 30, 2020 dated November 6, 2020 and for the quarter ended June 30, 2021 dated July 31, 2021 furnished to us which expressed a qualified conclusion on unaudited Ind AS financial results for these periods and whose report on audited Ind AS financial results for the year ended March 31, 2021 dated May 7, 2021 furnished to us which expressed a qualified conclusion.

For **Tambi & Jaipurkar**
Chartered Accountants
Firm's Registration Number: 115954W



CA Garima Agarwal
Partner
Membership Number: 160944



Place: Mumbai
Date: November 11, 2021

UDIN: 21160944AAAAAA4650



HOME
FINANCE

Reliance Home Finance Limited

Statement of Unaudited Financial Results for the quarter and half-year ended September 30, 2021

(Rs. in crore except per share data)

Sr. No.	Particulars	Quarter Ended			Half - Year Ended		Year Ended
		Sep-21	Jun-21	Sep-20	Sep-21	Sep-20	Mar-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Revenue from operations						
(i)	Interest income	67.80	122.54	239.54	190.34	482.52	788.76
(ii)	Fees and commission income	1.66	2.48	2.20	4.14	2.54	7.08
(iii)	Other operating income	0.20	4.48	3.90	4.68	4.42	7.43
(I)	Total Revenue from operations	69.66	129.50	245.64	199.16	489.48	803.27
(II)	Other Income	1.10	1.16	13.47	2.28	14.22	37.16
(III)	Total Income (I+II)	70.76	130.68	259.11	201.44	503.70	840.43
	Expenses						
(i)	Finance costs	274.52	273.68	307.63	548.20	616.89	1,219.57
(ii)	Employee benefits expenses	5.32	5.71	7.44	11.03	15.28	36.20
(iii)	Depreciation and amortisation	0.53	0.54	0.73	1.07	1.54	2.63
(iv)	Impairment on financial instruments	210.07	233.86	789.76	443.93	950.55	1,816.30
(v)	Other Expenses	11.38	52.53	23.86	63.90	34.20	68.62
(IV)	Total Expenses	501.82	566.32	1,129.42	1,068.13	1,618.46	3,143.32
(V)	Profit before tax (III-IV)	(431.06)	(435.64)	(870.31)	(866.69)	(1,114.76)	(2,302.89)
(VI)	Tax expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	(146.57)	(148.11)	(295.90)	(294.68)	(379.02)	(782.98)
(VII)	Net Profit for the period (V-VI)	(284.49)	(287.53)	(574.40)	(572.01)	(735.74)	(1,519.90)
(VIII)	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	(0.07)	0.16	0.48	0.09	0.15	0.30
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	(0.06)	(0.16)	(0.03)	(0.05)	(0.10)
	Other comprehensive income ((i)+(ii))	(0.04)	0.10	0.32	0.06	0.10	0.20
(IX)	Total comprehensive income for the period (VII+VIII)	(284.53)	(287.43)	(574.08)	(571.95)	(735.64)	(1,519.70)
(X)	Earnings per equity share face value of Rs.10 each fully paid up (not annualised)						
	(a) Basic (Rs.) #	(5.87)	(5.93)	(11.84)	(11.79)	(15.17)	(31.33)
	(b) Diluted (Rs.) #	(5.87)	(5.93)	(11.84)	(11.79)	(15.17)	(31.33)

Based on weighted average no. of shares

Reliance Home Finance Limited

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Reliance Home Finance Limited
Statement of Unaudited Assets and Liabilities as at September 30, 2021

(Rs. in crore)

Particulars	As at September 30, 2021	As at September 30, 2020
	Unaudited	Unaudited
ASSETS		
Financial assets		
(a) Cash and cash equivalents	2,265.13	67.95
(b) Bank balance other than (a) above	336.34	343.06
(c) Derivative financial instruments	-	-
(d) Receivables		
(I) Trade Receivables	-	-
(II) Other Receivables	-	85.47
(e) Loans	9,821.94	12,390.65
(f) Investments	159.15	1,242.69
(g) Other Financial Assets	223.94	131.08
Sub-total - Financial Assets	12,806.50	14,260.90
Non-financial assets		
(a) Current tax assets (Net)	30.95	46.55
(b) Deferred tax assets (Net)	1,423.14	724.58
(c) Investment property	4.26	4.34
(d) Property, plant and equipment	42.48	43.38
(e) Intangible assets under development	0.10	0.02
(f) Goodwill	209.96	209.96
(g) Other intangible assets	1.57	2.56
(h) Other non-financial assets	117.51	157.56
Sub-total - Non-Financial Assets	1,829.97	1,188.95
Total assets	14,636.47	15,449.85
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
(a) Derivative financial instruments	14.56	8.38
(b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.88	-
(c) Debt Securities	6,016.92	5,937.90
(d) Borrowings (Other than Debt Securities)	6,036.98	6,561.09
(e) Subordinated Liabilities	796.81	795.80
(f) Other financial liabilities	2,217.33	1,334.97
Sub-total - Financial Liabilities	15,083.48	14,638.14
Non-financial liabilities		
(a) Provisions	45.48	26.72
(b) Other non-financial liabilities	132.42	53.88
Sub-total - Non-Financial Liabilities	177.90	80.60
Total Liabilities	15,261.38	14,718.74
EQUITY		
(a) Equity Share Capital	485.06	485.06
(b) Other Equity	(1,109.97)	246.05
Equity attributable to owners of the Company	(624.91)	731.11
Total equity	(624.91)	731.11
Total liabilities and equity	14,636.47	15,449.85

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Reliance Home Finance Limited
Statement of Cash Flows for the half-year ended September 30, 2021

(Rs. in crore)

Particulars	As at	As at
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	(866.69)	(1,114.76)
Adjustments :		
Depreciation and amortisation	1.07	1.54
Expected credit loss	443.20	943.15
Other comprehensive income	(0.09)	(0.15)
Provision on repossessed asset	15.37	6.88
Bad debts written off	0.73	7.41
Discount on commercial papers	21.93	21.95
Amortised brokerage on borrowings	0.82	0.36
Provision for gratuity	(0.08)	0.08
Provision on other expenses	8.40	2.33
Interest on preference shares capital	1.24	1.24
Interest income deferred	(39.18)	(43.40)
Interest on PTC borrowings	22.81	85.08
Interest on investment	(3.47)	(5.09)
Finance cost	501.40	508.62
Profit on sale of investments	(1.33)	(13.18)
Interest on income tax refund	(0.89)	(0.74)
Loss on closure of securitisation account	0.02	(0.03)
Profit on sale of fixed assets	-	(0.10)
Interest income on Investments	(35.96)	-
Operating profit before working capital changes (A)	69.30	401.19
Adjustments for (increase)/ decrease in operating assets:		
Fixed deposits with banks	(1,375.76)	131.83
Loans	522.19	(43.93)
Other financial assets	(0.35)	68.30
Other Non financial assets	32.00	10.83
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	0.07	(84.82)
Other Non Financial Liabilities	(2.54)	365.62
Provisions	7.56	2.28
Other financial liabilities	433.07	31.20
Cash generated from operations (B)	(383.75)	481.31
Less : Income taxes paid (net of refunds) (C)	2.21	64.19
Net cash inflow / (outflow) from operating activities (D) = (A)+(B)-(C)	(316.66)	818.31
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received on investments	-	-
Sales proceeds from disposal of property, plant and equipments	-	4.21
Sale of property, plant and equipments	-	-
Purchase of investment measured at FVTPL	(30.59)	(288.34)
Purchase of investment measured at FVOCI	(1.46)	(0.97)
Sale of investment measured at FVOCI	881.86	-
Purchase of property, plant and equipments	-	(0.51)
Net cash inflow / (outflow) from investing activities (E)	849.81	(285.61)
CASH FLOW FROM FINANCING ACTIVITIES :		
MLD Hedge position	(2.04)	(2.35)
Proceeds from borrowings other than debt securities	40.98	113.08
Repayment from borrowings other than debt securities	(210.09)	(75.35)
Fair valuation changes in Market linked debentures	40.79	17.03
Interest and processing fees paid on borrowings	(508.81)	(574.70)
Discount on commercial papers	21.93	21.93
Net cash inflow / (outflow) from financing activities (F)	(617.24)	(500.35)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (G) = (D)+(E)+(F)	(84.09)	32.35
Add : Cash and cash equivalents at beginning of the year (H)	170.38	35.60
Cash and cash equivalents at end of the year (I) = (G)+(H)	86.29	67.95

Notes:

- The previous year figures have been regrouped and reclassified wherever necessary.
- Cash and cash equivalents includes only cash and bank balance and excludes fixed deposits.

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Notes:

1. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34 – “Interim Financial Reporting”, notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the 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 and half-year ended September 30, 2021 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 debt resolution process of the Company under circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets is in final stages. The Company post finalization and implementation of the final debt resolution plan, will increase the housing loan portfolio and is confident of the achieving the same in due course.
4. The Company has cash on hand of approx. Rs. 2,220 Crore in the form of investment in liquid mutual fund and fixed deposits. However, the delay in debt servicing is due to prohibition on the Company to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2019.
5. The Company is engaged with its lenders for arriving at the debt resolution plan. In this regard, certain lenders of the Company have entered into an Inter-Creditor Agreement (ICA) in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process had invited Expression of Interest (EOI) and bids from interested bidders vide newspaper advertisement dated 29 July 2020 and through the Lead Bank's website. 19 investors' initially, had expressed interest through submission of EOI's. The ICA lenders have evaluated, voted upon and selected **Authum Investment & Infrastructure Limited** as the final bidder on June 19, 2021. Upon approval of Authum's bid by the ICA lenders,

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the same has been presented to the Company along with the fund distribution mechanism. The Company has shared the final plan with the Debenture Trustees to call for the Debenture Holder's meet and seek approval on the resolution plan. The Company has informed the exchanges on the ICA lenders approved resolution plan and has also placed it before the Board of Directors who took note of the same. In view of the resolution process being in the final stages, the accounts of the Company have been prepared on Going Concern Basis.

6. The Listed Secured Redeemable Non-Convertible Debentures of the Company aggregating to Rs. 5,967 crore as on September 30, 2021 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, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them. The asset cover has fallen below hundred percent of outstanding debentures and adequate steps are being taken by the Company as explained in point no.5 above.
7. The Company had till April 30, 2019 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. The company had discontinued this product and since May 1, 2019 and there have been no fresh disbursements against this product.
8. Previous period figures have been regrouped / rearranged wherever necessary.
9. The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on November 11, 2021 approved the above results and its release.

For Reliance Home Finance Limited



Sunil Wadikar
Director

Dated: November 11, 2021

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Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the six months ended September 30, 2021

1. Debt Equity Ratio:

Debt Equity Ratio of the Company as on September 30, 2021 is (18.32) as per Unaudited Financial Results of the Company.

2. Outstanding redeemable preference shares: Rs. 31.035 crore (3,10,35,980 shares of face value of Rs. 10 each)

3. Debenture Redemption Reserve (DRR):

The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to DRR in respect of debentures in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

4. Net Worth as on September 30, 2021: Rs. (623.43) crore

5. Net Loss After Tax for the half-year ended September 30, 2021: Rs. (572.01) crore

6. Earnings Per Share as on September 30, 2021: Rs. (11.79) per share

7. Current Ratio: Not Applicable

8. Long term debt to working capital: Not Applicable

9. Bad debts to Account receivable ratio: Not Applicable

10. Current liability ratio: Not Applicable

11. Total debts to total assets: 0.78

12. Debtors turnover: Not Applicable

13. Inventory turnover: Not Applicable

14. Operating margin (%): Not Applicable

15. Net profit margin (%): (283.95)%

16. Sector specific equivalent ratios, as applicable:

Gross NPA Ratio : 81.60%

Net NPA Ratio : 58.40%

Capital to risk weighted assets Ratio : (24.50)%

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