HFFCIL/BSE/NSE/EQ/23/2022-23 **Date: 17-05-2022**

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**

Subject: Integrated Annual Report for FY22 and Notice of the 13th Annual General Meeting.

Dear Sir/Madam,

We wish to inform you that the 13th Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, June 10, 2022, at 2:00 p.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the circulars and notifications issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") to transact the businesses, as set forth in the Notice of AGM.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), please find enclosed herewith the Integrated Report and Annual Accounts for FY22 and the Notice convening the 13th AGM dispatched to all the members in electronic mode on May 17, 2022.

The Notice of the AGM and the Integrated Annual Report of the Company for FY22 are also made available on the website of the Company at:

AGM Notice: https://homefirstindia.com/files/NoticeofAGM_2022.pdf

Annual Report: https://homefirstindia.com/files/HomeFirst_IntegratedAnnualReport2022.pdf

Request you to kindly take the above on record and disseminate the same on your website.

For **Home First Finance Company India Limited**

SHREYANS BACHHAWAT

Digitally signed by SHREYANS BACHHAWAT
DN: c=IN, postalCode=700007, st=WEST BENGAL, o=Personal, serialNumber=fde20153e75f5e87dabaa79d6eee7a1cd4ad6b8aad8b8e895148921 7c6080659, 2.5.4.20=16307146407087da668653d4e9771e128e5f8b7d2c113998badd9215660e7810, email=SHREYANS.BACHHAWAT@HOMEFIRSTINDIA.COM, cn=SHREYANS BACHHAWAT, l=KOLKATA, title=2535, pseudonym=253520210819122932649
Date: 2022.05.17 19:42:45 +05'30'

Shreyans Bachhawat
Company Secretary and Compliance Officer
ACS NO: 26700

homefirst
We'll take you home

Smart Loans for Affordable Homes | HomeFirst

Integrated Annual Report

21:22

Tech

Growth

Productivity

Risk Management

Funding

ESG

About this Report

Our Approach to Reporting

Home First Finance Company India Limited (HomeFirst) is publishing its first Integrated Annual Report for FY 2022 to provide a holistic assessment of its financial as well as non-financial performance. Through this report, we strive to provide enhanced disclosures to meet the requirements of our stakeholders.

Reporting Principle

The financial and statutory data forming part of this report are in line with the requirements of:

- The Companies Act, 2013 (including the rules made thereunder),
- The Indian Accounting Standards,
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The report has been prepared in accordance with the framework prescribed by the International Integrated Reporting Council (IIRC) and also contains disclosures as per the Global Reporting Initiative (GRI) Standards: Comprehensive option relevant to HomeFirst and United Nations Sustainable Development Goals (UN SDGs).

Reporting Period

The Integrated Annual Report FY2022 is an annual publication for the period April 1, 2021 to March 31, 2022.

Materiality & Scope & Boundary

The Integrated Annual Report FY2022 includes information that is material to HomeFirst's stakeholders and provides an overview of the business processes and activities that assist in long term value creation. HomeFirst also shares insights about the strategic priorities, business model, risks and mitigants. The reporting boundary covers overall environmental, social and economic performance of HomeFirst across 80 physical branches and its Head office and other offices in Mumbai.

Independent Assurance

The quality of information content in the report is prepared in consultation with, and reviewed by internal stakeholders. This Report covers financial and non-financial information and activities of Home First Finance Company India Limited for the period April 1, 2021 to March 31, 2022. While the financial information has been audited by Deloitte Haskins & Sells, Chartered Accountants, the select non-financial information as referred to in the assurance report has been assured by Price Waterhouse Chartered Accountants LLP. This non-financial assurance report is in accordance with the limited assurance criteria of the International Standards on Assurance Engagements (ISAE) 3000 Revised. The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on page no. 302.

Theme of the Report

'The Land of Opportunities' is a title that one normally associates with the USA, but India is fast emerging as a strong contender to seizing this title. We are making significant contributions toward world prosperity and resilience. Our progress in key sectors like Infrastructure, Energy, Healthcare, and Technology is becoming a model for the other developing nations. As India works towards creating a stronger domestic economy, the focus would be on nurturing local businesses and scaling them up.

At HomeFirst, we are excited about the huge opportunity in housing finance! Housing will remain a fundamental need for citizens of a fast growing country and the demand for housing will increase multi-fold as India moves from a low-middle income economy to an upper-middle-income economy over the next decade. We at HomeFirst are at a juncture where we are ready to seize the day.

We have developed a differentiated approach to home finance, that is centred on customer centricity, design thinking, use of technology, and prudence. Our mobile first approach, digital processes and industry leading turnaround times set us apart from traditional players. We will continue to build on our strengths and sharpen our edge to capture a large share of the emerging opportunities.



See All →

Performance Highlights

₹10 lakhs
Average Ticket Size of Housing Loan

2.3%
GNPA
(1.3% pre RBI circular)

3.6%
ROA

FY 21-22 in brief

Tech

80%
customers registered on customer app

90%
loans approved within 48 hours

Growth

AUM crossed
₹5000 Crs
CAGR 44.7% (FY17-FY22)

Disbursals crossed
₹2000 Crs
y-o-y growth 85.2%

Productivity

2.7%
Opex to Avg assets

₹2.6 Crs
Disbursement / Employee

Funding

Diversified funding through 20 lenders

India Ratings
AA- Stable

ICRA
A+ Positive

ESG

Certified as a **"Great Place To Work"** by GPTW Institute for 2 successive years

EWS and LIG customers account for more than **75% of AUM; ~90% women borrowers**

Diversity
- ***27%** Women Workforce*
- ***22%** of Directors are Women*

Risk Management

Stable GNPA of
2.3%
(1.3% pre RBI circular)

1+ DPD improved to
5.3% from 6.2% (Mar'21)

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Sustainable Building Design

A sustainable building design is fundamental to making a home a Green home. The primary objective here is to incorporate climate-friendly measures in the design stage itself. Thus, reducing the need for artificial lighting during daytime and artificial heating or cooling depending on the seasons. Rooms are brighter and airy in such designs; roofs are treated with High SRI paints to keep the heat away and it becomes cost-effective in the long run. Residential units that use lesser energy while maintaining occupants' comfort are ideal Green homes!

Solar Reflective Index (SRI) is important to understand when selecting a highly reflective roof coating that will help lower energy cooling costs. Highest SRI Value Paint is 130 In India. It saves electricity up to 30%. Cools up to 22 Degrees on the surface and between 4-8 Degrees inside.

Corporate

Overview

Corporate Information

Directors
Mr. Deepak Satwalekar (Chairman)
Ms. Geeta Dutta Goel
Mr. Anuj Srivastava
Ms. Sucharita Mukherjee
Mr. Maninder Singh Juneja
Mr. Divya Sehgal
Mr. Narendra Ostawal
Mr. Vishal Gupta
Mr. Manoj Viswanathan (Managing Director & CEO)

Chief Financial Officer
Ms. Nutan Gaba Patwari

Company Secretary
Mr. Shreyans Bachhawat

Registered Office
511, Acme Plaza, Andheri Kurla Road Andheri (East),
Mumbai 400 059
Tel No: 022 6694 0386

Email:
corporate@homefirstindia.com

Committes of the Board
Audit Committee
Ms. Sucharita Mukherjee (Chairperson)
Ms. Geeta Dutta Goel
Mr. Maninder Singh Juneja

Nomination and Remuneration Committee
Ms. Geeta Dutta Goel (Chairperson)
Mr. Anuj Srivastava
Mr. Narendra Ostawal

Stakeholders Relationship Committee
Ms. Sucharita Mukherjee (Chairperson)
Mr. Maninder Singh Juneja
Mr. Manoj Viswanathan

Corporate Social Responsibility Committee
Ms. Geeta Dutta Goel (Chairperson)
Ms. Sucharita Mukherjee
Mr. Manoj Viswanathan

Risk Management Committee
Mr. Maninder Singh Juneja (Chairman)
Ms. Sucharita Mukherjee
Mr. Narendra Ostawal
Mr. Manoj Viswanathan
Mr. Ajay Khetan
Ms. Nutan Gaba Patwari
Mr. Ashishkumar Darji

Auditors
Deloitte Haskins & Sells
19th Floor, Shapath - V, S.G. Highway, Ahmedabad - 388015
Tel No: +91 79 6682 7300

Debenture Trustee
Axis Trustee Services Limited
Corporate Office: The Ruby, 2nd Floor, SW 29 Senapati Bapat Marg, Dadar (West),
Mumbai 400 028
Tel No: 022-6230 0451
www.axistrustee.in

Registrar and Share Transfer Agents
Kfin Technologies Limited
Selenium, Tower- B, Plot No 31-32, Gachibowli, Financial district, Nanakramguda, Hyderabad, 500032
Tel No: 040 67161563

Bankers & Financial Institutions
National Housing Bank
Central Bank of India
HDFC Bank Limited
Axis Bank Limited
Union Bank of India
State Bank of India
IDBI Bank Limited
Bank of India
Bajaj Finance Limited
CSB Bank Limited
Federal Bank Limited
ICICI Bank Limited
HSBC
The Karur Vysya Bank Limited
South Indian Bank
DCB Bank Limited
Kotak Mahindra Bank Limited

HomeFirst at a **Glance**

Mani is a lathe operator in a small factory earning ₹20,000 every month. His wife teaches in a primary school and earns ₹15,000 per month. They do not have salary slips or other documents to prove their income. Can they get a housing loan of ₹10 lakhs to build a house on a piece of land that they have inherited from their parents? A decade ago, the answer would have been NO.

A decade ago, Mani and other such customers in this segment did not have access to formal lending due to various factors. Some did not have the necessary paperwork to support their income. Some found the loan application process and jargon too intimidating. Most applications never saw the light of day because customers were unable to clearly articulate their requirements.

These were the challenges that gave birth to the idea of "HomeFirst" in 2010. Our goal was to make the home loan process simple and give first time homeowners a fast yet customized solution - to deliver an ordinary home loan wrapped with extraordinary customer service.

Since inception, we have stayed true to our mission, and have grown into a leading affordable housing finance company in the country.

Vision

Shape the Future of Financing Homes, and Empower People to Live Better

Mission

Be the Fastest Provider of Home Finance for the Aspiring Middle Class Delivered with Ease and Transparency

Values

Swift Transparent Unconventional

Doing the unconventional in a swift and transparent manner!

Our **Journey**

Scalable operating model

₹5,380 Crs

AUM

2010 — Incorporation of the company

2011 — Series A — Primary investment of ₹10 Crs (Bessemer Venture Partners) — 2

2012 — Started operations in Gujarat & Tamil Nadu in the cities of Ahmedabad and Chennai — 20

2013 — Series B — Tata Capital (Alpha TC Holdings Pte Ltd) primary investment of ₹47 Crs — 69

2014 — HomeFirst turns profitable — 163

2015 — Customer base crosses 5,000 — 337

2016 — AUM crosses ₹500 Crs with 10000+ customers with reach across 25+ cities — 548

Early Days and Proof of Concept

Consolidation

2017 — CARE Rating BBB- — Series C — True North acquires majority stake (truenorth) — GIC Co-investment with True North[1] (GIC) — 847

2018 — CARE Rating BBB+ — Networth crosses ₹500 Crs with 15,000+ customers & 10 lenders — 1,356

2019 — CARE Rating A- — HomeFirst now has 30,000+ customers across 11 States + 1UT — 2,444

2020 — ICRA Rating A+ — HomeFirst; AUM crosses ₹3600 Crs — 3,618

2021 — Listed on NSE and BSE — Warburg Pincus invests in the company[2] (WARBURG PINCUS) — 60,000+ sanctions — 4,141

2022 — IndiaRatings Assigned AA- — ICRA Rating A+ Positive — Crossed ₹5,000 Crs AUM — 5,380

AUM CAGR: 44.7%

AUM in ₹Crs

Scaling Up

Note: (1) Waverly owns 100% of Aether Class B Shares. Waverly is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd
(2) Through Orange Clove Investments B.V (an affiliate of Warburg Pincus). Warburg Invested on 1st October 2020

11 Year Highlights

Particulars (₹ in Crs)	IGAAP FY11	IGAAP FY12	IGAAP FY13	IGAAP FY14	IGAAP FY15	IGAAP FY16	IGAAP FY17	IGAAP FY18	IndAS FY19	IndAS FY20	IndAS FY21	IndAS FY22
Total Income	-	2	7	20	39	62	95	146	271	419	489	596
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	216	215
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**
Interest Income on loans	-	1	5	16	33	55	84	126	229	342	406	477
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	216	215
Net Interest Income	**-**	**1**	**2**	**6**	**11**	**19**	**31**	**62**	**104**	**151**	**190**	**262**
Net Gain on DA	-	-	-	-	-	-	-	-	21	37	44	68
Other Non-interest income	-	1	2	4	6	7	11	20	21	40	39	51
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**
Opex	1	3	5	8	12	16	26	42	74	104	106	130
Credit Cost	-	-	-	-	1	1	2	2	7	17	32	25
Total Expense	1	3	8	18	35	53	81	108	206	312	355	369
Tax	-	-	-	-	1	3	5	13	19	27	34	52
One time adjustment	-	-	-	-	-	-	-	-	-	-	-	(12)^
PAT	**(1)**	**(1)**	**(1)**	**2**	**3**	**6**	**9**	**25**	**46**	**80**	**100**	**186**
Funds (₹ in Crs)												
Debt	-	5	44	96	216	365	554	870	1,926	2,494	3,054	3,467
Equity	15	28	50	99	102	154	308	333	523	933	1,381	1,574
Total Assets	16	34	102	216	359	597	990	1,372	2,482	3,480	4,510	5,117
Key Metrics (₹ in Crs)												
AUM	2	20	69	163	337	548	847	1,356	2,444	3,618	4,141	5,380
Disbursement	2	12	35	90	211	277	424	746	1,573	1,618	1,097	2,031
Key Ratios												
Earnings per share (₹) [FY11 to FY18 - FV ₹ 10 per share FY19 onwards - FV ₹ 2 per share]	-2	-5	-4	9	11	18	23	24	8	11	12	21
RoA	-7.4%	-5.5%	-1.6%	1.6%	1.2%	1.3%	1.1%	2.1%	2.4%	2.7%	2.5%	3.6%^
RoE	-7.5%	-6.2%	-2.7%	3.4%	3.4%	4.7%	3.8%	7.9%	10.8%	10.9%	8.7%	11.8%^
CRAR	167.0%	84.0%	60.2%	73.7%	44.1%	48.4%	66.7%	43.8%	38.5%	49.0%	56.2%	58.6%
CRAR - tier 1	167.0%	84.0%	60.2%	73.7%	43.5%	47.8%	66.0%	42.9%	37.7%	47.7%	55.2%	58.1%
No of shares	2,885,457	3,470,914	4,453,643	6,125,468	6,125,468	7,761,721	10,320,531	10,323,331	63,339,490*	78,297,715	87,399,727	87,633,703
Face value per share (₹)	10	10	10	10	10	10	10	10	2	2	2	2
BVPS	53	80	113	161	166	198	298	323	83	119	158	180
Opex to Assets	12.4%	13.1%	7.5%	5.0%	4.2%	3.4%	3.3%	3.6%	3.8%	3.5%	2.7%	2.7%

Notes

Effective 1 April 2019, the Company has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with 1 April 2018 as the transition date. Accordingly, FY19 financials have also been restated as per IndAS for comparison.

The shareholders, vide a special resolution, have approved subdivision of equity shares of the Company in the ratio of five equity shares of ₹2 each against one equity share of ₹10 each respectively. Accordingly, 1,56,59,543 shares of ₹10 each, were subdivided to 7,82,97,715 shares of ₹2 each as at 30 October 2019.

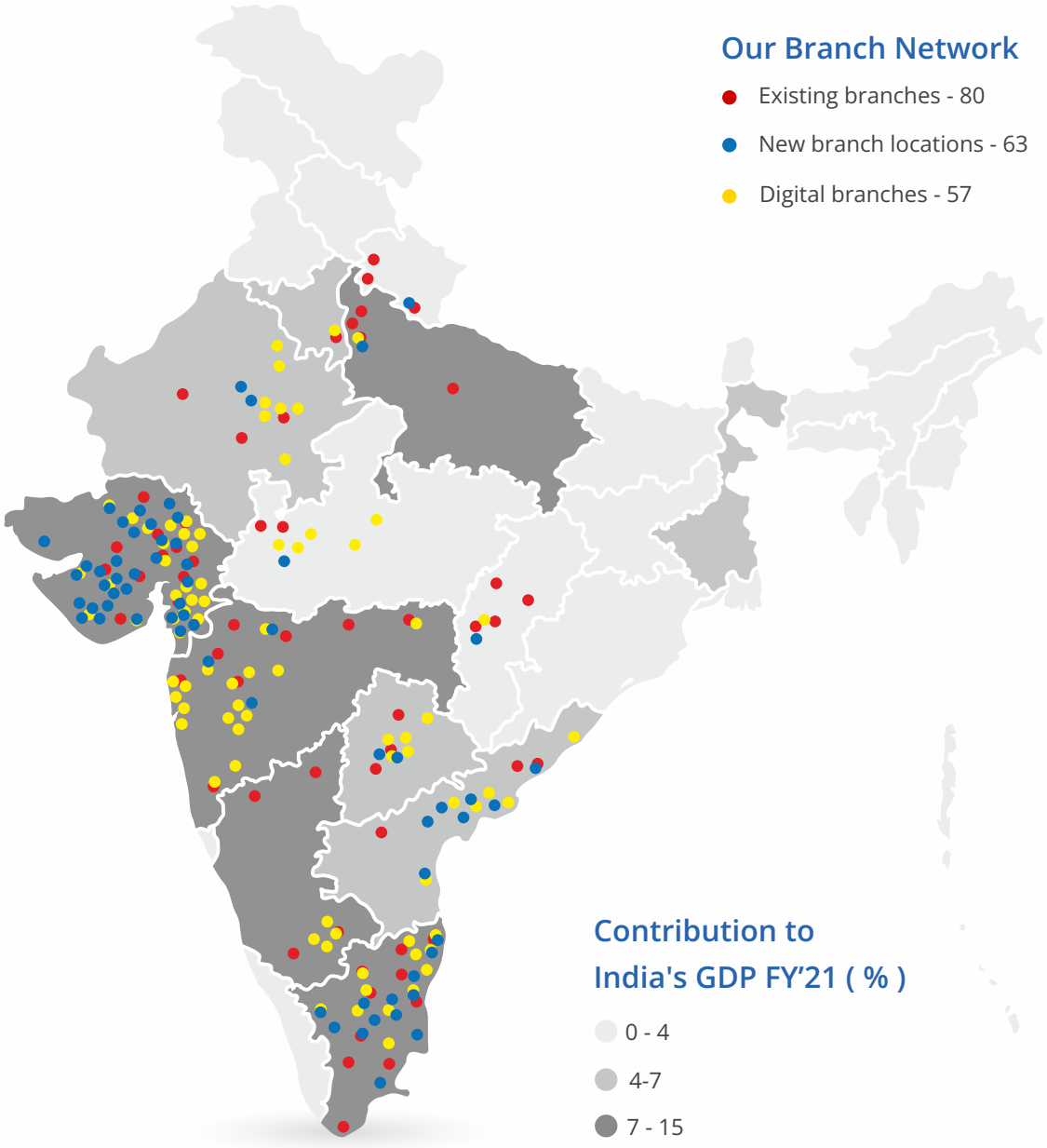
Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and other expenses for the relevant year or period as per the financial statements.

Amount in ₹Crs is rounded off to nearest Cr

^Adjusted RoA at 3.6% and Adjusted RoE at 11.8% is computed considering Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment

*Adjusted for subdivision

Our **Geographic Presence**



Our Branch Network

- Existing branches - 80
- New branch locations - 63
- Digital branches - 57

Contribution to India's GDP FY'21 (%)

- 0 - 4
- 4-7
- 7 - 15

80
Branches

98
Districts

13
States / UT

200
Touchpoints

DisclaimerMap not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness
Note:Source for Contribution of states to India's GDP: NSO, MOSPI

Performance Highlights

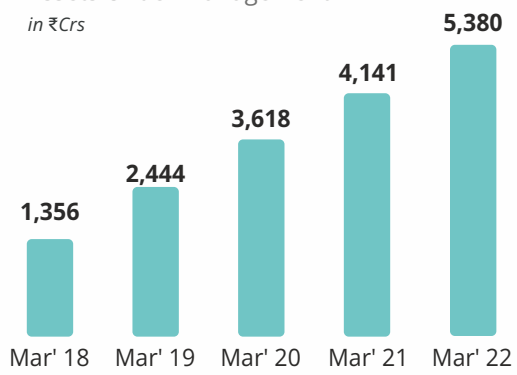
Business Metrics

₹5,380

Assets Under Management

in ₹Crs

CAGR 41.1%

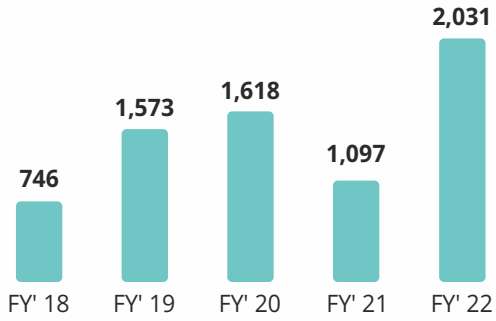


₹2,031

Disbursement

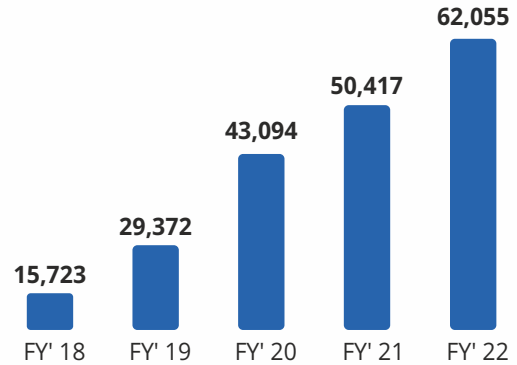
in ₹Crs

CAGR 28.5%



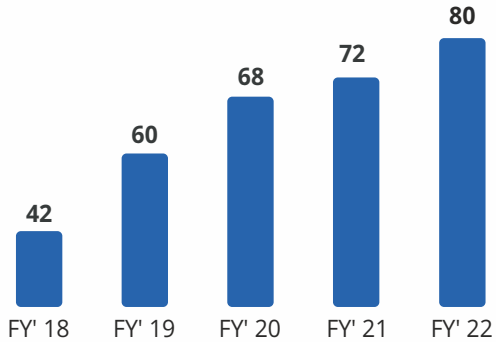
62,055

Number of loan accounts



80

Number of branches



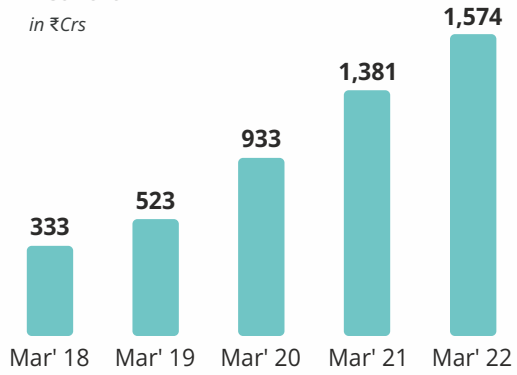
Performance Highlights

Financial Metrics

₹1,574

Networth

in ₹Crs

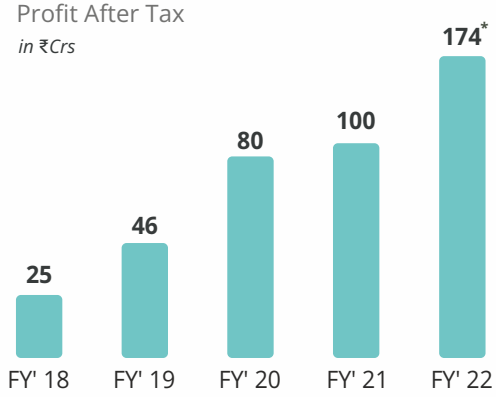


₹174*

CAGR 62.1%

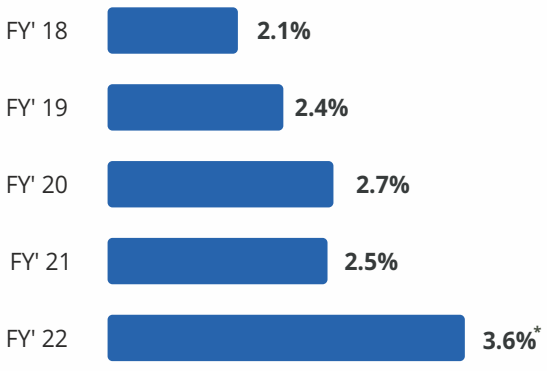
Profit After Tax

in ₹Crs



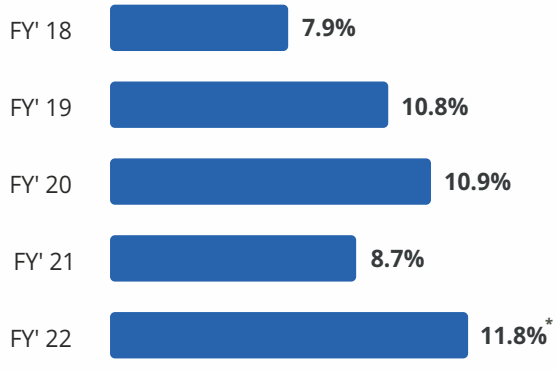
3.6%*

ROA



11.8%*

ROE



* Adjusted RoA at 3.6% and Adjusted RoE at 11.8% is computed considering Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment

Performance Highlights

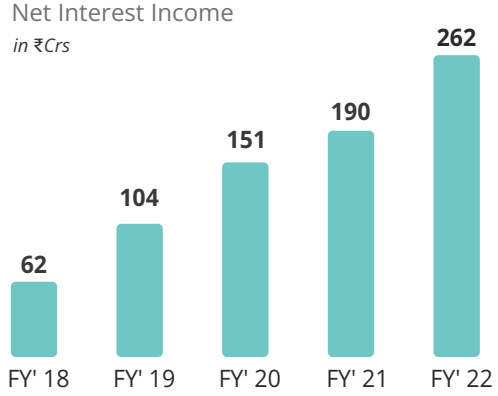
Operational Metrics

CAGR 43.3%

₹262

Net Interest Income

in ₹Crs

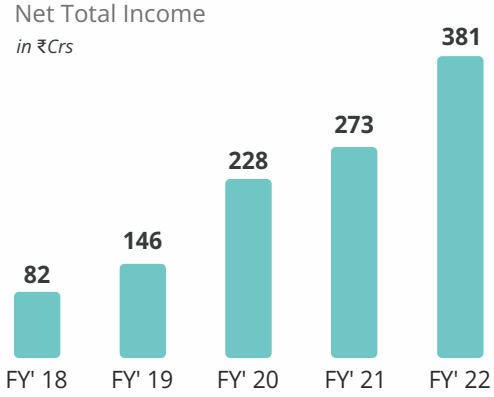


CAGR 46.5%

₹381

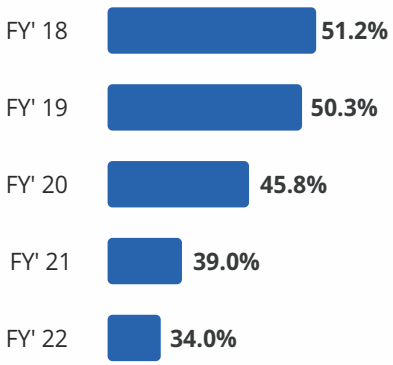
Net Total Income

in ₹Crs



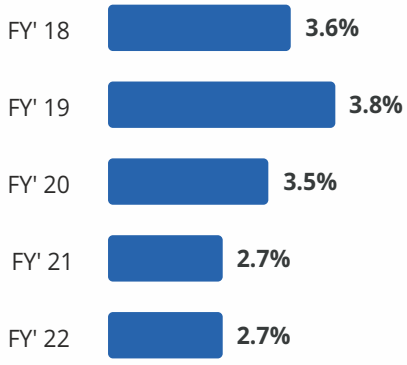
34.0%

Cost to Income



2.7%

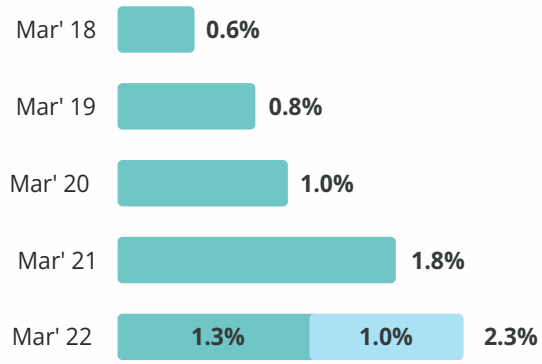
Opex to Assets



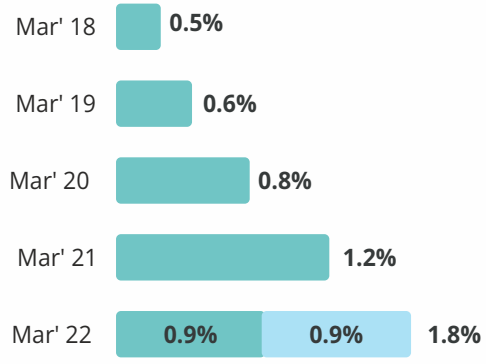
Performance Highlights

Asset Quality Metrics

2.3%
GNPA

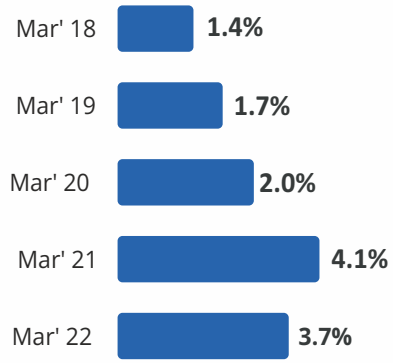


1.8%
NNPA

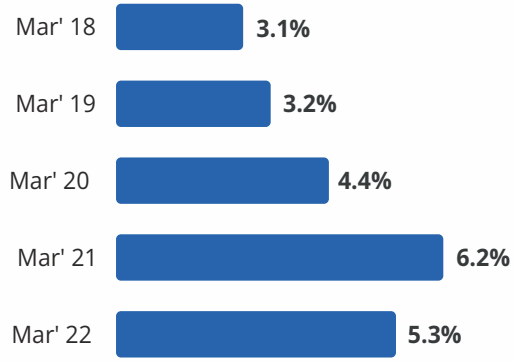


Re-classification due to RBI circular

3.7%
30+ DPD



5.3%
1+ DPD



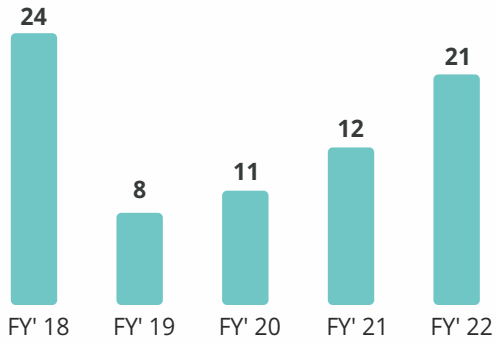
Performance Highlights

Key Financial Ratios

₹21

*EPS

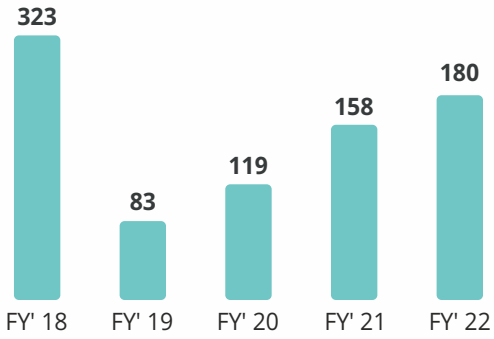
in ₹



₹180

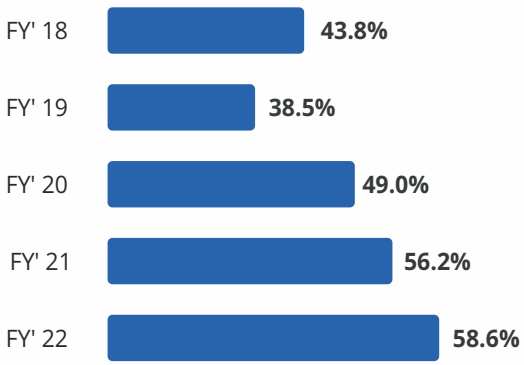
*BVPS

in ₹



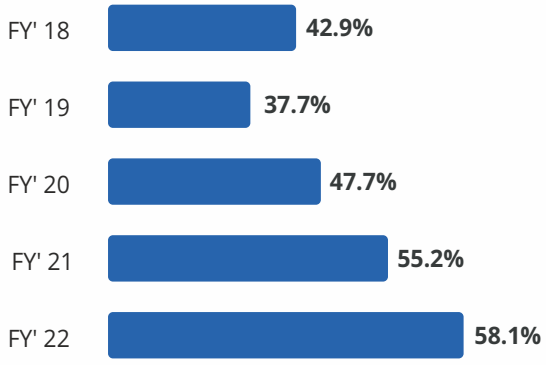
58.6%

CRAR



58.1%

CRAR - Tier I



Note

**EPS and BVPS for FY18 is computed using Face Value per share of ₹10*

**EPS and BVPS for FY19, FY20, FY21 & FY22 is computed using Face Value per share of ₹2 post considering sub-division of shares*

Chairman's Statement

> We have built a profitable business model which will grow larger through a calibrated expansion strategy, focus on the quality of the book and a diversified lender base"



Deepak Satwalekar
Chairman / Independent / Non-Executive Director

It provides me great pleasure in writing to you to share my thoughts. Let me first place on record my heartfelt gratitude to all stakeholders for their support through the times of Covid disruption we have all faced and for coming out stronger.

While it was a huge relief for all of us to witness the reducing impact of the Covid over the last few months of the Financial Year and seeing a degree of normality returning, we cannot afford to ignore all precautions to ensure that the pandemic does not rear its unpleasant head again. The cost in human terms, as also economic terms is too large to bear again. Several steps taken by the Government and the Regulators have helped in a faster revival of the economy.

However, the recent events in Eastern Europe have cast a shadow over the global economies and further exacerbated the commodity pricing. Oil prices are at an all time high which will impact transportation and supply chain costs. The loose purse strings of the various Central Banks over the past few years, while battling the impact of Covid, has now led to inflation of prices across the board as demand has risen while supply has not kept pace. We are beginning to see the interest rates hardening globally and should see that in India too as the RBI is moving away from a dovish stance.

India's mortgage to GDP penetration is relatively very low compared with other countries and hence growth prospects for housing finance in India remain bright. Given that the informal economy and the SME sector are still substantial and income assessment is still a major challenge for many lenders, it presents a large untapped opportunity for your Company.

Our addressable market in Affordable Housing Finance is large and expanding, contributed by an increasing middle-class population, rapid industrialization, favorable demographics, and nuclearization of families. This sector continues to receive the support of Government policies. One by-product of the pandemic has been to demonstrate that congregation of employees in offices is an idea of the past. Many companies are now adopting Work from Anywhere policies to help improve the work life balance for their employees. A result of this is the increasing demand for housing away from major metros and Tier 1 cities where the commuting time is very high. This is good news for your company and we shall spread our geographic presence to make our products and services available widely.

India has leveraged the use of technology in taking banking to the masses through the digital medium. UPI continues to drive digital payments with volumes and value increasing every month. HomeFirst has been a huge proponent of technology use for faster turnaround, transparency as well as business scalability. The customers have adopted readily to this use of technology as it significantly improves their service experience with the company. Your Company has a continuing process improvement program as it strives to achieve best in class productivity metrics.

Your company's strong focus on financial management during the year, was acknowledged by the rating agencies which have reaffirmed their confidence in your Company. ICRA Ratings has revised the long-term outlook from "A+ Stable" to "A+ Positive". Also, in its first long term rating, "India Ratings & Research" assigned "AA- Stable". Your Company continues to have strong relations with lenders and has broadened the pool of lenders.

Your Company has crossed an important milestone of ₹ 5000 Crs AUM during FY22 in the month of Jan'22 and ended the year with an AUM of ₹5,380 Crs, a growth of 30% from Mar'21, enabling more than 60,000 customers across 13 States/UT in the country to own a home of their own. Your Company's focus on quality has resulted in the GNPA of 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%).

We will continue to focus on housing finance for the middle-class population of the country by doubling our touch-points in the medium term. We have built a profitable business model which would grow larger through a calibrated expansion strategy, focus on the quality of the book and a diversified lender base.

I appreciate the support provided by all stakeholders, our regulator Reserve Bank of India (RBI), National Housing Bank (NHB), my colleagues on the Board, Lenders, Rating Agencies and our Customers. The unwavering efforts by our employees during the past 2 years under Covid disruption deserves huge appreciation.

Wish you good health and success in the new financial year.

Deepak Satwalekar
Chairman / Independent / Non-Executive Director

From the desk of **MD & CEO**



Manoj Viswanathan
Managing Director and CEO

> It was the worst of times and then again it was the best of times... this rewording of the old classic seems to best fit our experience in this financial year"

The year started with a severe wave 2 of Covid sweeping across the country in Q1. This time the spread was rapid and encompassed the country in just 2 months. The impact was more on health but this in turn impacted incomes temporarily. Some customers could not make their EMI payments in April and May leading to an increase in delinquencies. New origination and disbursals were also disrupted in Q1. The recovery started in June itself and was equally sharp. The revival sustained across the rest of the year with each quarter better than the previous one. The year ended on a high with all time high disbursals on the back of strong consumer demand for affordable homes, supported by meaningful reduction in delinquency. This enabled us to disburse ₹2000+ Crs as per our original plan in spite of the wave 2 related setback in Q1. As a result, our AUM has grown by 30% from ₹4,141 Crs to ₹5,380 Crs. GNPAs also came down to 1.3% (prior to RBI classification) as of Mar'22, not very far from pre-covid levels of 1%. Liquidity scenario was benign throughout the year and our funding requirement was fulfilled through a combination of 20 marquee lenders, refinance from NHB and direct assignment of our assets. Rating agencies endorsed our business, by upgrading our ratings. ICRA enhanced our rating from A+ (Stable outlook) to A+ (Positive outlook). India Ratings assigned a rating of AA- with stable outlook. All said and done, a successful end to a tenuous start.

The stress due to covid was intense and many of us were balancing personal challenges with higher pressure at work due to greater volume of collections. We experienced our own version of the 'Great Resignation' with elevated levels of attrition in Q2 and Q3 adding to the workload of those who chose to remain employed with us. This small band of committed employees have created and upheld a culture of ownership that helped all of us get through the tough times and we are extremely grateful to them. We are gradually emerging as an employer of choice in the affordable housing space and this has enabled us to increase our average employee strength from 687 in FY21 to 851 in FY22.

The huge size and potential of the housing finance market in India has been proclaimed and applauded in many reports and forums. Within this universe, "affordable housing" has emerged as a rewarding sub-category that offers higher risk adjusted returns comparable to the mid and high-ticket segments. The business appears simple on the outside but has a number of nuances. Players who understand the complexity and connect the various parts of their business through a cohesive strategy will emerge winners.

Efficiency is the first part of the strategy, while the large lenders brag about their low cost to income or opex to AUM ratios, our smaller ticket size in affordable housing makes it difficult to reach those numbers. We aspire to be amongst the most efficient players in this business. In order to achieve this, we obsessively monitor the activities carried out by our employees especially those at the front-end and back-office who are handling individual transactions with the objective of eliminating or automating some of these activities. A recent example of this is the recently launched e-signature process that enables the customer to sign the loan agreement from the convenience of his home or office and saves time for the customer as well as our customer service officers. This kind of Kaizen will increase the bandwidth of our employees to focus on value added activities like origination or collections. At present we run amongst the leanest businesses in affordable housing finance with an AUM per employee of ₹7 Cr and AUM per branch of ₹71 Cr.

Approximately 10 out of every 100 families will purchase a TW in any given year. In comparison, only 1 in every 100 families is looking to build or buy a home in a given year (in the affordable housing space). Customers in most parts of the country like to build their homes on their own plot of land. The 'apartment culture' exists only in larger towns and among the more affluent. The complexity of constructing a house overwhelms customers and generally the customer behaviour is to go ahead with the first lender to offer a loan. The market share figures are highly fragmented with most lenders holding only 1-5 % share of the market. Last mile distribution plays an important role in capturing market share. It is important to offer the product through a person who is embedded in the local ecosystem. It can be the local builder, carpenter or an insurance agent. He or she is the home loan equivalent of the omnipresent 'Kirana Store'. We are building our network of such home loan 'Connectors' who are associated with us through an app. They share leads and receive updates on the app. At present about 1500 connectors are active with us in a given quarter. India has more than 12 mn kirana stores...just saying.

The risk in the affordable housing loan business was perceived to be higher than that in the formal segment. Initially this kept away most lenders. The recent success of a few players in this segment, has created a perception in the industry that this is just like formal housing loans but with smaller ticket size and some 'informal' customer income to be assessed. This naïve understanding of risk has let to its share of blowouts. Focused affordable housing players have to consider risks across many dimensions of the business such as origins and title flow of the property title, land demarcations and identifiability, impersonation, exaggeration of incomes, down payment, builder exposure etc just to mention a few and in each case, there has to be an analysis of cost vs benefit of identifying and eliminating the risk since the it is a high opex business as mentioned earlier. Unfortunately, over emphasis on identifying all the risks upfront will still not make it a successful business. Customers in this segment are vulnerable to personal and professional shocks. In the event of a crisis in the customer's life, it is important for the lender to navigate the customer through it and facilitate liquidation of the property where required.

Extreme complexity couched in apparent simplicity makes this is a difficult but rewarding business. Macro tailwinds make it a growing business for decades to come. Constructing a home is challenging by itself and simultaneously arranging financing adds to the anxiety. Low market shares and scattered distribution of industry players makes a strong business case for a focused player with deep distribution who can deliver high quality service levels. Traditional processes are conducive for higher ticket loans with simpler risk management requirements. Only a technology led player who can continuously drive down operating costs can become successful in this business.

HomeFirst is well positioned and committed to capitalize on this opportunity. We are currently present in 200 touchpoints across 98 districts and 13 States/UT. We are expanding our presence in 6 focus States viz., Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana. We intend to be present in 400 cities in 24-36 months. This will give us access to ~70% of the affordable housing business in the country. We will continue to invest in technology to automate processes, improve turnaround times and service levels, improve productivity and reduce costs. Our aim is to reduce our cost to income to 30% levels in the next 3 years. Competition in the affordable housing finance space has been heating up, yet we were able to hold our yields in the market. Our focus on providing extraordinary service and industry leading turnaround times has enabled us to maintain our pricing power. Our average yield stands at 12.8%. Our goal is to sustain our current ROAs as we scale up and leverage our capital to achieve an ROE of 15-16% in 2-3 years.

Affordable housing finance is a very large opportunity with many consumer problems yet to be solved. Our objective is to establish Home First as a preferred brand in this segment, known for its exceptional service powered by a frictionless digital process.

Manoj Viswanathan
MD & CEO, Home First Finance Company India Limited


Tech in Mind
Scale & Growth
Operational Efficiency
Funding
Risk Management
ESG
Strategic Priorities
HomeFirst is guided by its Vision, Mission and Values. Keeping these in mind, we have developed our Strategic Priorities that will steer the organization over the next 3-5 years.

Strategic Priorities

Tech In Mind

what we plan to do

Leverage Technology to drive business growth, improve operational efficiency and manage risk

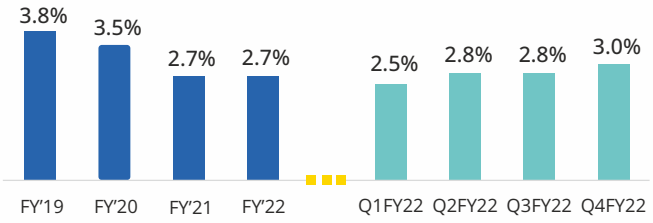
How will we measure it

- *Opex to Asset*
- *Loans Approved Within 48 Hours*
- *Customer Net Promoter Score*

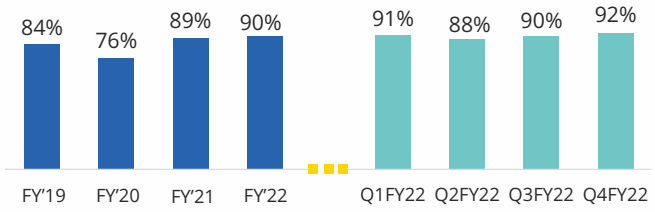
Building blocks and *what is on our mind*

- Use technology to build innovative distribution channels to originate loans and deepen our footprint in our markets.
- Use emerging techniques such as digital validations and account aggregators to evaluate and underwrite loans, to bring down the risk of the unknown.
- Automate our internal processes to improve productivity and accuracy.
- Provide superior service to our channel partners, customers and employees via mobile apps, AI driven interfaces and digital payment methods.
- Process loans on best in class platforms to bring full visibility and trail in our operations.
- Make our collection processes highly analytical time bound and efficient.

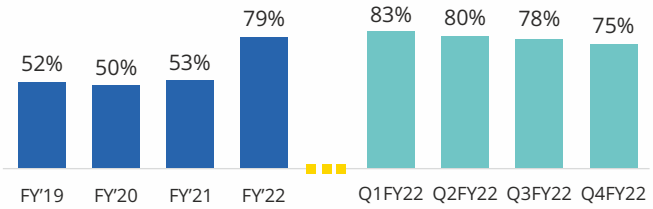
Opex to Asset



Loans Approved Within 48 Hours



Customer Net Promoter Score



1. The Company had commissioned Ormax Consultants Private Limited to determine our net promoter score with effect from January 2018. Ormax determined our net promoter scores on a periodic basis through telephonically administered questionnaires by selecting recent customers from our database on a random basis.
2. The Company has commissioned Litmus World Marketing Technologies Pvt. Ltd to determine our net promoter score with effect from January 2020.
Litmus World determines our net promoter scores through its gauging tool known as 'Litmus World Suite' by delivering customer experience in form of Software as a Service in which feedback URL links are generated and sent to those customers whose loans have been sanctioned by the company, through channels like SMS and email.
3. The Net Promoter Score for the months of March, April and May 2020 has not been calculated due to the impact of Covid-19 on the operations and business of the Company.
4. The Net Promoter Score for FY19 includes score for April 2019.

Strategic Priorities

Scale and Growth

what we plan to do

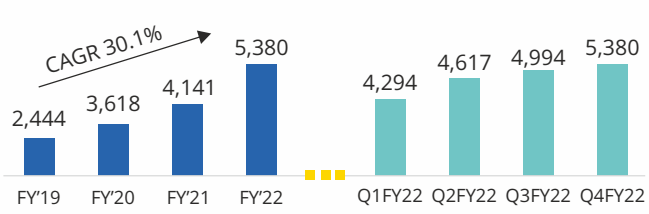
Build a scalable housing finance business for the long term

How will we measure it
- AUM Growth
- Branch Footprint

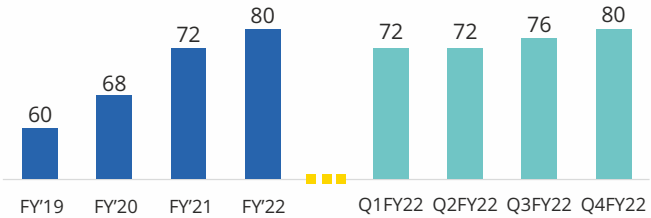
Building blocks and *what is on our mind*

- Expand our business in a contiguous manner into regions with increasing urbanization, growing commercial activity and rising household incomes.
- Use a high-density model that will allow us to scale our business with lower costs and increase our profitability.
- Deepen our presence in our core markets – Gujarat, Maharashtra, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu.

AUM growth in (₹Crs)



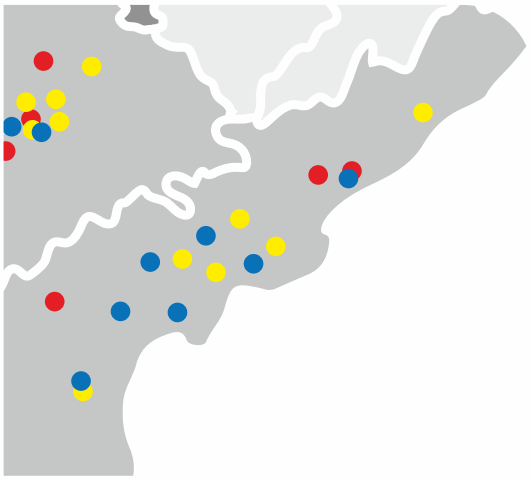
Branch Footprint (#)



Branch Expansion (Case Study)

Spilling The Beans

The HomeFirst guide to establishing a new market



Since time immemorial, the growth of a colony, an empire, and even a brand is critically linked to its strategic distribution and expansion. Be it through finding river routes in the Middle Ages or setting up contiguous locations across industrial corridors in the 21st century. Through sustainable growth and a robust distribution network, HomeFirst has developed its own framework for spreading the mission to empower people in the affordable housing segment. This is the story of Team Vijayawada - what they have done and how. Setting up a branch that hasn't just developed into an important portfolio but a vast region with multiple branches, satellite locations, and virtual branches.

Scope

The second-largest city of Andhra Pradesh, Vijayawada is known as its commercial and educational capital. Classified as a grade Y city with a GDP of $ 3 billion, it is a buzzing hub of trade and commerce, with well-established construction, agricultural exports, food processing units, hospitality, and logistics. A huge but closely knit labor market supports this industrial market as 70% of the city's population is employed in the tertiary sector. Since it's establishment as an important industrial town, the affordable housing market has also picked up. The market size of the regions Guntur, Vijayawada, Vizag, Rajahmundhry and Eluru is, and currently, it's around ₹27,000 Crs with annual housing demand of ₹5,500 Crs.

Research

We had a lot of learnings from our previously established Southern states like Tamil Nadu and Karnataka and we wanted to replicate the same model in Andhra Pradesh & Telangana. In the spring of 2018, we started our operations in Vijayawada. Despite our macro understanding of the market, we faced challenges of every form: geopolitical, economic, and social. Andhra Pradesh was facing political turbulence as the state capital was being changed from Hyderabad to Amaravati causing instability in the real estate market. Vijayawada also has a unique housing concept - Group homes. A society with only 2-3 flats. These flats are too costly to rent for the regular workforce and owning them remains a distant dream for many. These migrants find it difficult to get access to formal credit as they earn their livelihood in cash. As a result, they are often left at the mercy of relatives, friends, and money lenders and overall the market remains underpenetrated.

Source: Credit Bureau, FICCI

Unique People Strategy

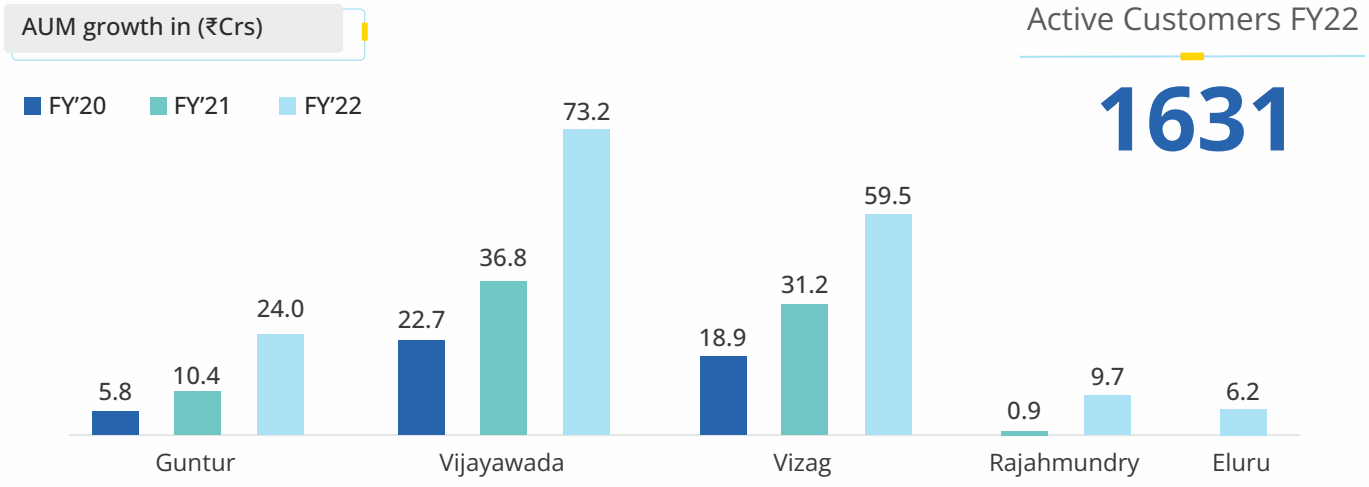
We could sense that these challenges required a special team to crack it and we needed to understand this market from scratch. We needed a combination of fresh enthusiasm and expertise. The Regional Manager started his hunt with the local MBA colleges and offered a few students a chance to prove themselves in the field. Led by an experienced Branch Manager, the new recruits eventually proved themselves and grew individually along with the portfolio. Fast forward a couple of years, they were given the opportunity to take up leadership positions and shoulder more responsibilities in newer prospective markets and develop them in the same model. The employee strength has grown from 17 in FY20 to 36 employees in FY22

Branch Operations

Straight out of college and coached by the best in the industry, our new recruits conducted many on-field activities over the coming months - Market mapping, identifying lucrative industry pockets, and slowly growing the portfolio through relationship building. Understanding the flavour of the market, we set up our Vijayawada physical branch on 25th August 2018, at Benz Circle - the heart of all business and commerce in the city. We stay in touch with all our business partners through monthly branch meets to educate them about new products, company policies, and industry trends. These bonds of trust helped us when projects across the region were stalled due to the supply issues of building materials. With the customers in dismay, HomeFirst was able to create deals for materials at reasonable prices for its customers. This local presence has also helped us provide valuable services to aid the customers when they needed it the most. Such interventions were much welcomed by the customers who saw HomeFirst as more than just a lender but as a guide who could help them become a homeowner despite all odds.

Our disbursements in the regions Guntur, Vijayawada, Vizag, Rajahmundhry and Eluru has increased from ₹41 Crs in FY20 to ₹109 Crs in FY22 – reflecting a CAGR of 62.8% (FY20-FY22)

Soon after Vijayawada, we expanded in the neighboring cities like Vizag in the same year, Guntur in 2019, Rajamundry in 2020 and Eluru in 2021 and further success at these locations has now encouraged us to go even deeper in these markets. Contiguous cities of Tenali, Narasaraopet, Sattenapalle, Machilipatnam, Nandigam, Ongole and Bhimavaram as satellite branches in the region, each led by a homegrown spirited Branch Managers with smaller groups of passionate new HomeFirsters ready to prove themselves.



Active Customers FY22

1631

Strategic Priorities

Operational Efficiency

what we plan to do

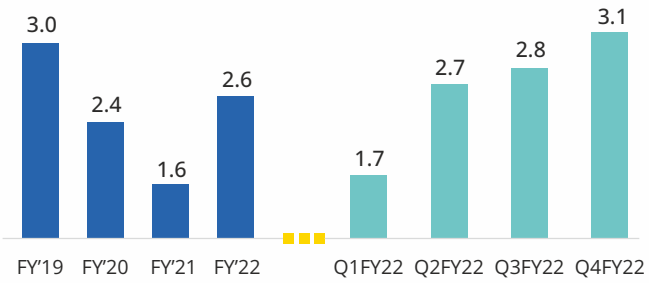
Build a lean and clean organization supported by empowered teams, clear process flows and high degree of automation

How will we measure it
- *Disbursement / Employee*
- *Cost to Income*
- *AUM / Branch*

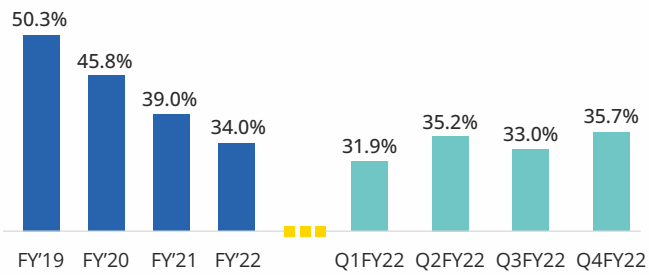
Building blocks and *what is on our mind*

- Empower our employees through training, talent management and fast track growth for high performers to build a strong performance culture. Create an inclusive workplace with a diverse workforce.
- Automate manual activities and in turn spend more time on business generation and collections.
- Optimize productivity at each branch / employee level by eliminating routine activities with active usage of technology.

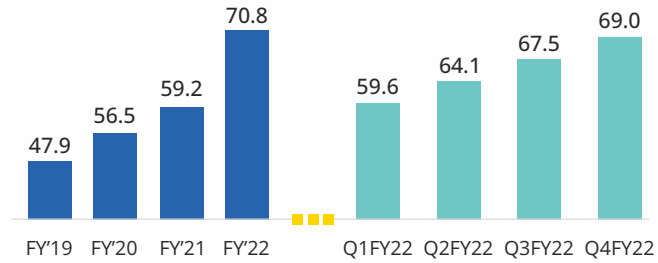
Disbursement / Employee (in ₹Crs)



Cost to Income



AUM / Branch in (₹Crs)

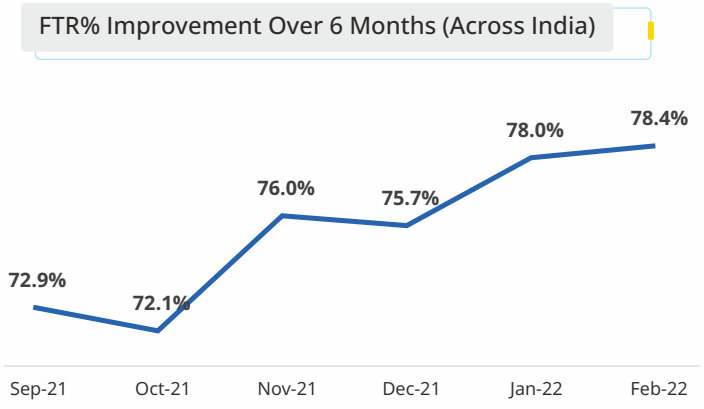


Operating Efficiency (Case Study)

HomeFirst core value is:

Doing the unconventional in a swift and transparent manner!

Our core values are swift, transparent and unconventional. In order to drive faster turnaround times, we are constantly innovating and introducing digital initiatives to reduce the redundancy of manual efforts, increase accuracy and promote efficiency by applying efforts towards higher focus areas.



One such area for improvement of turnaround times is the accuracy of 'demand notes' raised for disbursal. Errors such as minor differences in property address across the various documents can delay the disbursal with each small mistake causing a delay of 2-3 days. The number of times a disbursal transaction passes through human touch both at the branch end as well as head office end also has a bearing on capacity planning at the backend. Getting a demand 'First Time Right' (FTR) helps improve turnaround times and optimize backend resources.

Monitoring FTRs and guiding branches to improve FTRs has helped in improving it from 72.9% to 78.4% over a period of 6 months.

FTR methodology has helped us reduce errors significantly and maintain good turnaround times, which gave us the ability to deliver market commitments on time. Delivering our disbursal commitments on time helps generate more business, and enhance market share.

Strategic Priorities

Funding

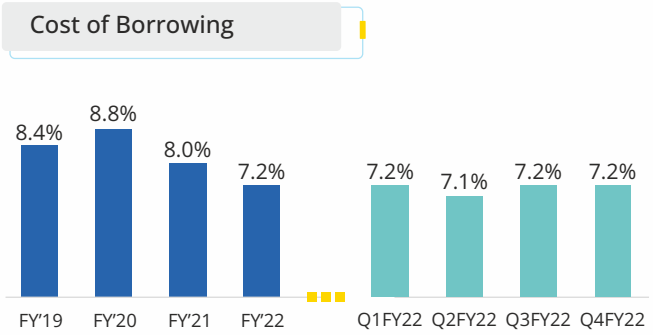
what we plan to do

Diversify Sources of Borrowings and optimize Borrowing Costs

How will we measure it
- Cost of Borrowing
- Credit Rating

Building blocks and *what is on our mind*

- ALM remains the most important principle to guide our funding decisions.
- As we increase the scale of our operations, we intend to diversify the sources of borrowings further across various pools of capital.
- Our strong performance will improve our credit ratings and enable reduction in our cost of borrowing.



Rating Agency	Instrument	Credit Ratings FY20	Credit Ratings FY21	Credit Ratings FY22
CARE Ratings	Long-term Bank Facilities	A+ (stable)	A+ (stable)	A+ (stable)
ICRA Limited	Term Loans and NCD Commercial Paper Programme	A+ (stable) A1+	A+ (stable) A1+	A+ (positive) A1+
India Ratings & Research	Commercial Paper Programme Term Loans and NCD	A1+ -	A1+ -	A1+ AA - (stable)

Strategic Priorities

Risk Management

what we plan to do

Strengthen the Risk Management Framework

How will we measure it

90+ DPD and Credit Cost/Avg Total Assets

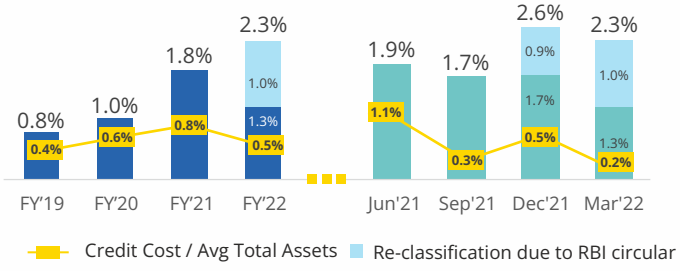
1+ DPD and 30+ DPD

Bounce Rate

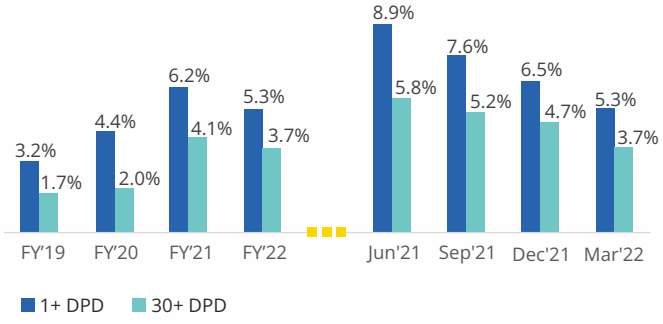
Building blocks and *what is on our mind*

- Our growth priorities and aspirations are underpinned by a sound risk mitigation strategy, held together by a 360 degree risk management framework.
- As we scale our operations and expand our reach, we will continue to invest on enhancing our risk management practices and build robust compliance and monitoring systems.

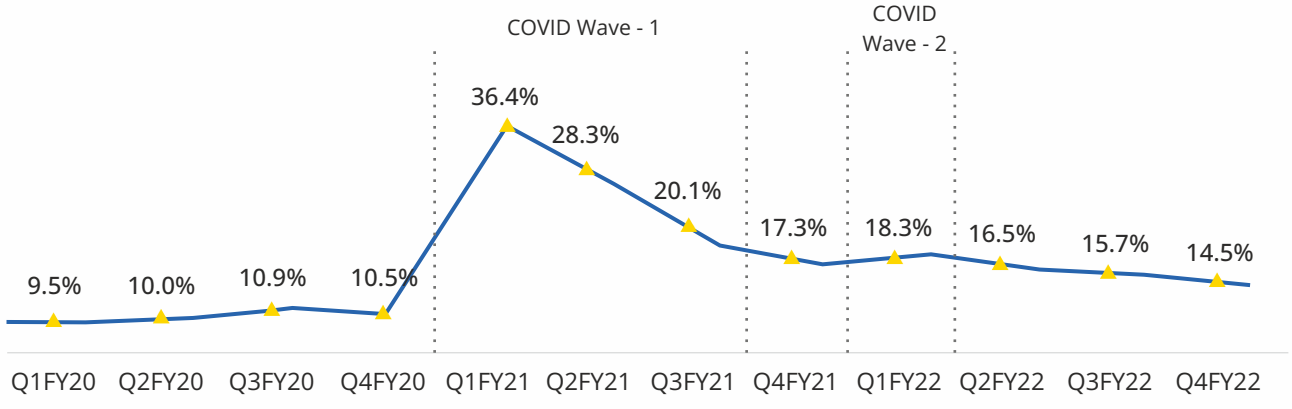
90+ DPD and Credit Cost/Avg Total Assets



1+ DPD and 30+ DPD



Normalising Bounce Rates



Strategic Priorities

ESG

what we plan to do

Strengthen our Environment, Social and Governance (ESG) commitments

Building blocks and *what is on our mind*

- We have been a socially inclusive organization by design – our business model is built on the Vision of shaping the future of financing homes and empowering people to live better – and we do so by lending to the underserved segments.
- Strong governance has been the backbone of our growth since the start of the journey. We have attracted global investors from a nascent stage and we have received continuous validation from regulators and rating agencies.
- We are a paperless organization in our processes right from the beginning and have been focusing on using tech solutions to reduce paper across all our stakeholders.

How will we measure it

In this edition, we have come out with Integrated Annual Report comprising of a dedicated Sustainability Report Section. We have mentioned the value generated by our organization through different types of capital and we have started tracking the same through various metrices. Further, we have availed external assurance on our adherence to the GRI Standards. Our efforts and transparency in our journey to maintain "Sustainability at the Core of our operations" will help us in furthering our impact as a socially inclusive organization.

- We will track our ESG impact more closely and ensure increased monitoring and improvement.

Board of Directors



Deepak Satwalekar

Chairman / Independent /
Non-Executive Director

Deepak Satwalekar, erstwhile Managing Director of Housing Development Finance Corporation Limited and erstwhile Managing Director & CEO of HDFC Life Insurance Company Limited, is the Chairman and Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from The American University, Washington DC. Apart from being with HDFC group, he was also part of the Board of some prominent companies like Infosys Limited, National Stock Exchange of India Limited, The Tata Power Company Limited, Indian Mortgage Guarantee Corporation Private Limited etc. Currently, he is associated with Asian Paints Limited and Wipro Limited as an Independent Director. He is the Chairman of Asian Paints Limited. He has also worked as a Consultant to World Bank, Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT). He has chaired and been a member of several expert groups related to industry, government and the Reserve Bank of India. He has extensive experience in the fields of housing finance, leadership & strategic planning, finance, business operations and risk management.



Geeta Dutta Goel

Independent /
Non-Executive Director

Geeta Dutta Goel is a finance professional and Country Director for Michael & Susan Dell Foundation in India at present. She manages the strategy and implementation of the foundation's work in India in two key areas of Education and Family Economic Stability. Geeta has served as the Chairperson of India's Impact Investors Council from 2017-2019, and has been on several taskforces on Responsible Finance with the World Bank's Consultative Group to Alleviate Poverty. In 2017, She was nominated by Business Today amongst the 30 Most Powerful Women in Impact and Forbes India nominated her as the 20 Power Women “Changing the Game” in 2020. Geeta holds a bachelor's degree in economics from Lady Shri Ram College for Women, University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Geeta has served on distinguished Boards such as Ujjivan Financial Services, Janalakshmi Financial Services, Micro Housing Finance Corporation, Swadhaar FinServe, Arohan Financial Services, Sonata Finance etc.



Anuj Srivastava

Independent /
Non-Executive Director

Anuj Srivastava is the co-founder and Chief Executive Officer of Livspace - a home interiors and renovation platform. Livspace has created an industry first design-to-manufacturing cloud platform that integrates the 3 marketplace participants - consumers, designers, and vendors to deliver homes, offices, co-working spaces and stores. Before setting up Livspace, Anuj was heading product marketing and growth at Google where he was responsible for building, launching and scaling products such as Google Wallet, Google Adsense, Google Local and Google Adwords. Anuj was also a lead on the integration team for Google's acquisition of DoubleClick. Anuj has completed his B.Tech at the Indian Institute of Technology Kanpur and holds an MBA degree from London Business School.

Board of Directors



Sucharita Mukherjee

Independent /
Non-Executive Director

Sucharita 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. Sucharita 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. She is an alumnus of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University.



Divya Sehgal

Nominee /
Non-Executive Director

Divya Sehgal is a Nominee Director representing True North. He is a Partner at True North and leads their investments in the financial services industry. He holds a bachelor of technology degree in electrical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Bengaluru. In his professional journey, he started with McKinsey & Company and worked briefly at ANZ Grindlays Bank. As an entrepreneur, he and his co-founders started E Medlife.com which was merged into Apollo Health Street, a leading healthcare outsourcing firm. Owing to his more than 26 years of professional experience, he adds value to the Board in the areas of leadership, strategic thinking and treasury and finance.



Maninder Singh Juneja

Nominee /
Non-Executive Director

Maninder Singh Juneja has been nominated on the Board by True North. He holds a bachelor's degree in civil engineering from University of Baroda and a post graduate diploma in management from Indian Institute of Management, Lucknow. He carries over 27 years of experience in the various industries and was associated with Godrej GE Appliances Limited, SRF Finance Limited, DGP Windsor India Limited and Whirlpool of India Limited Prior to joining True North, Maninder was the group head for ICICI Bank retail banking group, covering Strategy, products, small business loans, branch banking and distribution channels. He was also leading the bank's various efforts in the area of payments and service innovations, many of which are industry firsts. He held the position of vice-chairman of ICICI Home Finance Company Limited. He has also served the Board of eminent companies including NPCI and CIBIL. IARC, IFBI, and ICICI Merchant Services. He is an expert in strategy including digital, marketing (consumer behavior & insights) & sales/channel evolution and has vast experience in the housing finance industry.

Board of Directors



Vishal Gupta

Nominee /
Non-Executive Director

Vishal Vijay Gupta is a Nominee Director representing Bessemer India. He holds bachelor's degree in commerce from Nagpur University, is a Chartered Accountant and a post graduate diploma in management from Indian Institute of Management, Calcutta. Vishal brings more than 16 years of wide experience in investments in consumer internet, financial technology and healthcare technology companies. Erstwhile, he has served as an executive assistant to the CEO for a joint venture of HCL Tech and Deutsche Bank in India and also as a senior manager in the treasury at Reliance Group. He joined Bessemer Venture Partners in the year 2006 and currently spearheads the India operations. He has vast experience in information technology sector and has played critical role in the areas like digital platforms and data analytics over the years. Vishal is also on the Boards of Big Basket, Urban Clap, Livspace, Hungama Digital, Perfios, etc.



Narendra Ostawal

Nominee /
Non-Executive Director

Narendra Ostawal has been nominated on the Board by Orange Clove Investments B.V. (an affiliate of Warburg Pincus). He is a Chartered Accountant and has a degree in Post-Graduation diploma in Management from Indian Institute of Management, Bangalore. He is associated with Warburg Pincus India Private Limited since 2007, where he is currently designated as Managing Director for health care and financial services. He has also worked with 3i India Private Limited and McKinsey & Company. Besides Warburg Pincus India Private Limited, he is on the boards of Avanse Financial Services Limited, Carmel Point Investments India Private Limited, Computer Age Management Services Limited, Fusion Micro Finance Private Limited and IndiaFirst Life Insurance Company Limited. He is an expert in finance, accountancy, audit, economics, corporate governance, legal & regulatory compliance, risk management and strategic thinking.



Manoj Viswanathan

Managing Director
and CEO

Manoj Viswanathan is the Managing Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in electrical and electronics engineering from the Birla Institute of Technology and Science, Pilani and a post graduate diploma in business management from XLRI, Jamshedpur. He started his career with Asian Paints India Limited and has worked with Citibank and CitiFinancial Consumer Finance India Limited prior to setting up HomeFirst. At Citi, he was heading the branch-based consumer lending business spanning 450 branches with a customer base of more than 1 Mn customers. Manoj has been associated with the Company since inception and has been instrumental in chartering the growth trajectory of the Company. His expertise lies in the areas of finance, consumer behavior, sales & marketing, business operations, risk management, digital platform and strategic thinking.

Management Team



Ajay Khetan

Chief Business Officer

Ajay Khetan is the Chief Business Officer of our Company. He is a Mechanical Engineer and has done his post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He has over 22 years of experience in Consumer finance, Operations and Risk Management.

Past Work Experience: Macquarie Finance (India) Private Limited, Hewlett Packard Financial Services (India) Private Limited, CitiFinancial Consumer Finance India Private Limited, MIRC Electronics Limited, The Tata Engineering and Locomotive Company Limited.



Gaurav Mohta

Chief Marketing Officer

Gaurav Mohta is the Chief Marketing Officer of our Company. He is a mechanical engineer and has done his post graduate diploma in business administration from ICFAI Business School, Hyderabad. He has over 19 years of experience in consumer finance, marketing and product management. At HomeFirst, he has been instrumental in setting up sales distribution and evolving the brand identity of the company.

Past Work Experience: Kotak Mahindra Bank Limited, CitiFinancial Consumer Finance India Private Limited, Foodworld Supermarkets Private Limited.



Vilasini Subramaniam

Head – Strategic Alliances

Vilasini Subramaniam is the Head – Strategic Alliances of our Company. She is a commerce graduate and a Chartered accountant. She has over 19 years of experience in consumer finance and credit. She has handled Credit Underwriting, Product Development , Analytics & Business Strategy in her prior work experience.

Past Work Experience: Citibank India, Janalakshmi Financial Services and Micro Housing Finance Corporation Limited.



Ramakrishna Vyamajala

Chief Human Resource Officer

Ramakrishna Vyamajala is the Chief Human Resources Officer of our Company. He has done post graduate diploma in management from T.A. Pai Management Institute. He has over 16 years of experience in human resources, rewards and recognition, compensation and benefits.

Past Work Experience: Sterlite Technologies Limited and IDFC Bank Limited.

Management Team



Nutan Gaba Patwari

Chief Financial Officer

Nutan Gaba Patwari is the Chief Financial Officer of our Company. She is a qualified Chartered Accountant. She has over 15 years of experience in finance. In her last stint, she was with True North as a Vice President – Finance; responsible for the implementation of strategy of the Financial services portfolio companies. She leads the Accounts, Tax, Finance and Treasury, Secretarial, Investor relations and FP&A functions of the Company.

Past Work Experience: True North, Hindustan Unilever Limited, ITC Limited, Philip Morris Asia Limited.



Abhijeet Jamkhindikar

Business Head - Maharashtra

Abhijeet Jamkhindikar is the Business Head – Maharashtra of our Company. He holds a bachelor's degree in civil engineering from Nagpur University. He was a member of Institution of Valuers and has completed the foundation course in property valuation of the Royal Institute of Chartered Surveyors India [RICS] Property Valuation. He has 19 years of experience in construction finance (for developers), finance, valuations, technical appraisals and business development.

Past Work Experience: C-Net Solutions India Private Limited, Housing Development Finance Corporation Limited (HDFC Ltd).



Arunchandra Jupalli

Business Head - South

Arunchandra Jupalli is the Business Head - South of our Company. He is a commerce graduate and holds a master's degree in business studies from Bharati Vidyapeeth. He has over 20 years of experience in consumer lending business handling various products like Consumer Durable Finance, PL, Insurance, GL and LAP.

Past Work Experience: Atlantic Duncans International (P) Limited, India Office Solutions Private Limited, CitiFinancial Consumer Finance India Limited, Net Ambit Value First Services Limited, Karvy Financial Services Limited and Small Business FinCredit India Private Limited.

Management Team



Dharmvir Singh

Chief Technology Officer

Dharmvir Singh is the Chief Technology Officer of our Company. He holds a B.Tech in computer science & engineering from Uttar Pradesh Technical University, Lucknow and an MBA from IIM-Kozhikode. He has an experience of over 15 years as a technology leader in various organizations executing several large-scale green-field platform implementations in BFSI space covering several million customers. In his previous organization, he played a key role in end-to-end digital transformation of customer acquisition processes including automated underwriting, servicing, mobility experience, analytics & data platforms, operational process automation and digital marketing.

Past Work Experience: TCS, Birlasoft, IBM & Wipro Technologies, Hero Fincorp.



Ashishkumar Darji

Chief Risk Officer

Ashishkumar Darji is the Chief Risk Officer of our Company. He is a Chartered Accountant and he has also completed his bachelor's degree in law and banking from the University of Mumbai. He is a risk management professional with an experience of 17 years in the Banking and Financial Services sector. His experience spans regulatory compliance, risk management and risk modelling.

Past Work Experience: KPMG, State Bank of India, Kotak Securities Limited and Clearing Corporation of India Limited.



Shreyans Bachhawat

Company Secretary

Shreyans Bachhawat is the Company Secretary of our Company. He has over 11 years of experience in corporate secretarial compliances.

Past Work Experience: SREI Capital Markets Limited, India Power Corporation (Haldia) Limited, Gretex Corporate Services Private Limited and Tata Value Homes Limited.



Sustainability

Report

Snapshot

Financial Capital

₹5,380 Crs
Gross Loan Assets (AUM)
+29.9% y-o-y

61,684
Active Customers
+23.2% y-o-y

₹596 Crs
Total Income
(+ 21.8% y-o-y)

₹251 Crs
PPOP
+51.2% y-o-y

2.7%
Opex/Avg Assets

₹174 Crs*
PAT
+73.8% y-o-y

58.6%
CRAR

3.6%*
RoA
+110 bps

11.8%*
RoE
+310 bps

A+ Positive (ICRA)
AA- Stable (IndRA)
Credit Rating

**Adjusted RoA, Adjusted RoE is computed using Adjusted PAT for FY22 is without considering the positive impact of one-time deferred tax liability adjustment*

Natural Capital

4,000
Fruit trees distributed

1,000
Herbal trees planted

Human Capital

851
No of employees

5,288
Total manhours training

27%
Women employees

52%
Women at head office

Great Place To Work. Certified DEC 2021-DEC 2022 INDIA

Social and Relationship Capital

90%
Of AUM have woman as a borrower

19%
Of AUM have woman Primary applicant

79
Net Promoter Score

12400+
CSR beneficiaries

50
Children benefitted from clubfoot treatment

44
Children benefitted from Cleft Lip treatment

Intellectual Capital

80%
Customers registered on App

95%
Connectors registered on App

82%
Growth in payments via App

74%
Service requests raised on App

Overview by MD & CEO

Dear Stakeholders,

Financial Year 2022 was in a broader sense "Business As Usual" for HomeFirst with minor hiccups in the form of Wave 2 in Apr'21. We continue to work on our mission to provide loans for affordable homes to our customers and we feel proud to enable homeownership for thousands of middle class Indian families.

The on-ground demand for affordable housing is strong. We achieved the highest quarterly disbursement of ₹641 Crs in Q4FY22 and the highest annual disbursement of ₹2,031 Crs in FY22.

Asset quality has improved with disciplined collection efforts supported by revival of the economy. Our Gross Stage 3 (GNPA) stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%).

Strengths enabling business sustainability

Our tech led business model has facilitated the continuity of business through various disruptive waves of covid. Adoption of technology also makes the business more scalable; For example, our integrated CRM, LOS and LMS on Salesforce platform, centralized data science backed underwriting, digital validation of customer credentials etc will enable us to scale up while keeping cost under control. We continue to roll out tech interventions like e-NACH, e-Sign, e-Stamp etc that have a 3-pronged benefit – enhancing customer experience, reducing cost for the Company as well as reducing the carbon footprint. Our industry leading NPS score (79 for FY22), is a testimony to our customer centric approach.

We have diversified sources for our funding requirements and optimised the cost of borrowing through efficient treasury management. Our primary consideration is maintaining a prudent Asset Liability match and to this end we strictly do not borrow short term funds.

Focus on ESG

We have always acted responsibly with respect to Environment, Social and Governance aspects. Sustainability is at the core of our operations and we aim to convey the impact of our initiatives through voluntary publication of the Business Responsibility and Sustainability Report (BRSR).

The Company's business of providing loans for affordable homes to first time home buyers – promotes the social objective of providing housing to underpenetrated segments of the society. The company's value statements of swift, transparent and unconventional percolate down to creating long term value for its stakeholders. We have supported 28,368 customers in availing ₹703.8 Crs PMAY subsidy since the scheme was initiated by government.

As a tech-driven housing finance company, we relentlessly endeavour to innovate and introduce new digital initiatives to drive speed and efficiency of operations. Mobile apps for customers, multitude of electronic payment modes and digital interventions in customer onboarding processes enable us to save paper, time as well as energy. Our pioneering initiative to nudge customers towards pre-paying their loans has saved huge amounts in interest costs for our customers.

Our Corporate Social Responsibility activities are aligned towards promoting a green footprint, climate resilience, clean energy and welfare of the communities that we serve.

On the occasion of the Company crossing the ₹5,000 Crs AUM milestone, we distributed 5000 fruit and herbal tree saplings to marginal farmers.

To promote and highlight the importance of renewable energy, we donated funds for a solar panel installation at a physiotherapy centre.

To promote climate resilience, we have launched a project to encourage green homes. Through this project we plan to raise awareness on the usage of eco-friendly materials and for building homes. Further, we are in the process of developing a calculator to determine the green evaluation mechanism for individual housing units.

We understand the impact we can create at the community level and are committed to undertake welfare activities. During this financial year, we have launched two major projects – Project Sashakt (for empowerment of migrant factory workers and their families) and Mahila Shram Shakti Kendra (multipurpose centers exclusively for migrant women construction workers).Through our various CSR Activities, we have impacted over 12,400 beneficiaries.

Considering our internal stakeholders, our people are our strength. During the year we have conducted over 5200 manhours of training across functional and behavioural domains. Different types of trainings conducted include induction training, role specific training, skill upgradation (Six Sigma training), trainings on Cyber security, prohibition of insider trading, code of conduct, etc. We are a young and diverse organisation. Our median employee age is 26.5 years and ~27% of our employees are women.

Governance is a major component for solid foundation of a housing finance company. Transparency, accountability and integrity are the three pillars of a strong corporate governance framework. During the year, we further enhanced our board with Independent Directors coming from diverse backgrounds. We have Geeta Dutta Goel (Country Director Michael & Susan Dell Foundation), Anuj Srivastava (Co-Founder – LivSpace) and Sucharita Mukherjee (Co-founder, whole-time director and CEO of Kaleidofin) joining HomeFirst as Independent Directors. I am sure that HomeFirst will immensely benefit from their experience on important aspects of our business such as technology, risk management, social impact, funding sources etc.

Additionally, we onboarded a Chief Risk Officer and a Chief Technology Officer during the year. Dedicated leadership in these areas will further strengthen the Company.

Closing Remarks

I would request you to read this document in full as this is the first time, we are publishing non-financial information on our business. I hope that you will find this useful and appreciate the long-term thinking that goes in to building it.

I would like to thank each and every stakeholder who has supported us to reach the stage we are at today. As we embark on our sustainability journey, it will be appropriate to remember the words of Sir Issac Newton:

"I do not know what I may appear to the world, but to myself I seem to have been only like a boy playing on the seashore, and diverting myself in now and then finding a smoother pebble or a prettier shell than ordinary, whilst the great ocean of truth lay all undiscovered before me."

Manoj Viswanathan
MD & CEO, Home First Finance Company India Limited

How We **Create Value**

Inputs

Financial Capital
Equity
Assets
Borrowings
Diversified Lenders Base
Cost of Funds

Natural Capital
Green Initiatives

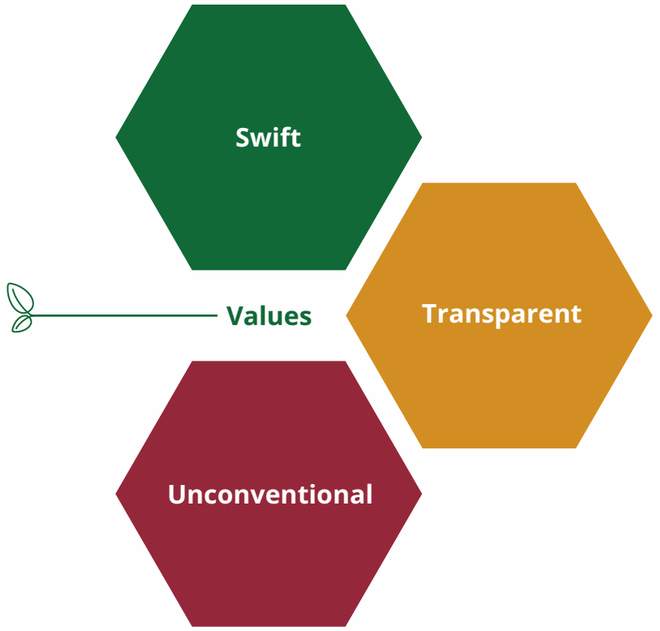
Human Capital
Employees
Learning & Development
Employee Engagement
Young workforce

Social & Relationship Capital
Livelihood Creation
Financial Inclusion
Customer Engagement
CSR Initiatives

Intellectual Capital
Digital Initiatives
Stable and Scalable Technology infrastructure
Mobility Solutions
Robust Cyber Security Framework

Value Creation Approach

External Environment
Regulations
Macro Economy
Evolving customer behaviour
Pandemic
Technological changes
Market forces
Customer requirements



Value Enablers
Holistic Technology Usage
Deep distribution in relevant markets
Unique People Strategy
Data Science Backed Underwriting
Analytics driven electronic collections
Diversified financing profile
Strong Ownership Culture
Centralized Operations

Outputs

Financial Capital
29.9% AUM Growth
21.26 EPS
3.6% ROA
11.8% ROE

Natural Capital
4,000 Fruit Trees Distributed
1,000 Herbal Trees Planted

Human Capital
5,288 Manhours Training
26.50 years Median Age
27% Woman Employees
20% Females in Senior Management

Social & Relationship Capital
91% of Book with Ticket Size Below ₹25 Lakhs
75%+ EWS and LIG Loans
₹703.8 Crs CLSS Given Till FY22 -
12,400+ CSR Beneficiaries
79 NPS Score

Intellectual Capital
4.2 Customer App Rating
80% Customers Registered on App
74% Service Request Raised on App
16% Digitally Signed Agreements
41% E-stamping

Outcomes

Customers
Higher Customer Satisfaction
Improved Customer Experience
Enabling Home Ownership Financial Inclusion

Employees
Inclusive, Diverse and Safe Working Environment
Motivated Employees

Regulators & Government
Strong Governance Framework
Compliance
License to Operate

Society
Enhanced community development

Investors And Shareholders
Profitablility of the Company
Sustainable Business and Growth
Strong Brand Value

SDGs

Ethics and Governance

8 out of 9
Directors are non-executive
(as of Mar'22)

4 out of 9
Directors are Independent
(as of Mar'22)

2 out of 9
Directors are Women
(as of Mar'22)

Strong governance is a fundamental pillar for a sustainable business. Transparency, accountability and integrity are the three pillars of a strong corporate governance framework. The Board of Directors are at the helm of decision making and exercise good control while the management team supports the board with the execution. HomeFirst's corporate governance framework is designed with a sharp focus on adopting best and suitable business practices within the evolving regulatory framework.

Corporate Governance Structure

Strong 5-tier corporate governance framework in place for effective risk management



Ethics and Governance

Independence Declaration

There are four Independent Directors on the Board of the Company. The Independent Directors have submitted the Declaration of Independence in accordance with the relevant provisions of Section 149 of the Act; stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

Board Composition

In line with best practices, the Nomination and Remuneration Committee reviews and selects the candidates for the Board in line with applicable law. The Nomination and Remuneration Committee had laid down criteria for determining Directors Qualification, Positive Attributes and Independence of a Director, Remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. The policy may be accessed on the Company's website at https://homefirstindia.com/files/Nomination and RemunerationPolicy.pdf

The Board composition is a diverse mix of individuals with varied expertise across technology, financial inclusion and risk management. The table below gives the detailed composition of the Board as of Mar'22:

Sr. No.	Name	DIN	Designation
1	Mr. Deepak Satwalekar	00009627	Chairman & Independent Director
2	Ms. Geeta Dutta Goel	02277155	Independent Director
3	Mr. Anuj Srivastava	09369327	Independent Director
4	Ms. Sucharita Mukherjee	02569078	Independent Director
5	Mr. Vishal Vijay Gupta	01913013	Nominee Director
6	Mr. Divya Sehgal	01775308	Nominee Director
7	Mr. Maninder Singh Juneja	02680016	Nominee Director
8	Mr. Narendra Ostawal	06530414	Nominee Director
9	Mr. Manoj Viswanathan	01741612	Managing Director and Chief Executive Officer

We have a young and diverse board, and this is illustrated by the below numbers:

Gender	Under 30 years	30 - 50 years	> 50 years	Total
Female	-	2	-	2
Male	-	4	3	7

Board Effectiveness And Performance

HomeFirst is adopting the most effective way to ensure that Board Members understand their duties and adopt good governance practices. Furthermore, the Directors of the Company commit to act in good faith to promote the objects of the Company for the benefit of its stakeholders. The Company has defined a manner of evaluation as per the provisions of the Act and SEBI LODR Regulations and for the Evaluation of the performance of the Board, Committees of Board & Individual Directors. The above manner is based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

Newly appointed Directors are given a familiarization training by the management team members to apprise the directors about the business operations, organization and governance structures and other requisite matters. The Company has also provided directors with a reference manual which inter alia covers the roles, functions, powers and duties of the directors, disclosures and declarations to be submitted by directors and various codes and policies of the Company. The details of familiarization programme imparted to the Independent Directors of the Company are available on the Company's website at https://homefirstindia.com/files/Policy on familiarization program for ID.pdf

Ethics and Governance

The Board carries out the evaluation of every Director's performance and its own performance as a whole and the statutory board committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee and Risk Management Committee and all the Independent Directors without the presence of the Director being evaluated. The Board expressed its satisfaction with performance evaluation. To review the performance of Non-Independent Directors a separate meeting of Independent Directors was convened.

Board Experience and Expertise

As at Mar'22, the Board of the Company comprised of 9 Directors of whom 4 were Non-Executive Independent Directors (Including Chairman), 4 were Non-Executive Nominee Directors representing shareholders and 1 Managing Director & CEO:

Name of Director	DIN	Category	No of Equity Shares held	Qualification / Experience	No of Other Director-ships in listed entities	Membership in Committees*	
						as member	as Chairperson
Mr. Deepak Satwalekar	00009627	Non-Executive Chairman and Independent Director	-	Bachelors in Mechanical Engineering and MBA (more than 36 years)	2	2	2
Ms. Geeta Dutta Goel	02277155	Independent Woman Director	-	Bachelors in Commerce and PGDM (27 years)	1	1	-
Mr. Anuj Srivastava	09369327	Independent Director	-	Bachelors in Technology and MBA (19 years)	-	-	-
Ms. Sucharita Mukherjee	02569078	Independent Woman Director	-	Bachelors in Economics and PGDM (over 21 years)	1	4	3
Mr. Divya Sehgal	01775308	Nominee Director (For True North Fund V LLP)	-	Bachelors In Technology and PGDM (over 26 years)	-	-	-
Mr. Maninder Singh Juneja	02680016	Nominee Director (For True North Fund V LLP)	-	Bachelors in Civil Engineering and PGDM (over 27 years)	-	2	-
Mr. Vishal Vijay Gupta	01913013	Nominee Director (For Bessemer India Capital Holdings II Ltd)	-	Bachelors in Commerce, Chartered Accountant and PGDM (over 16 years)	-	-	-

Ethics and Governance

Name of Director	DIN	Category	No of Equity Shares held	Qualification / Experience	No of Other Director-ships in listed entities	Membership in Committees*	
						as member	as Chairperson
Mr. Narendra Ostawal	06530414	Nominee Director (for Orange clove Investments B.V.)	-	Chartered Accountant and PGDM (over 16 years)	1	-	-
Manoj Viswanathan	01741612	Managing Director & Chief Executive Officer ("MD & CEO")	803383 (0.92%)	Bachelors in electrical and electronics and PGDM (over 25 years)	-	1	-

*For the purpose of considering the Committee Memberships and Chairmanships for a Director, the Audit Committee, and the Stakeholders' Relationship Committee of Listed Companies including our Company has been considered.

The Board of Directors have a varied and vast experience in various subject matters. Below is the table that captures the skills which the Directors of HomeFirst have, to help the Board function effectively:

Parameters	Mr. Deepak Satwalekar	Ms. Geeta Dutta Goel	Mr. Anuj Srivastava	Ms. Sucharita Mukherjee	Mr. Maninder Singh Juneja	Mr. Vishal Vijay Gupta	Mr. Divya Sehgal	Mr. Narendra Ostawal	Mr. Manoj Viswanathan
Industry Experience	√	√		√	√		√		√
Financial Expertise	√	√		√	√	√	√	√	√
Consumer Behavior	√	√	√		√		√		√
Legal and Compliance		√							√
Corporate Governance	√	√		√		√	√	√	√
Strategy and Decision Making	√	√	√	√	√	√	√	√	√
ALM and Risk Management	√	√		√	√		√	√	√
Information Technology and Cyber Security.			√	√	√	√	√		√

The brief profiles of the Board of Directors are on page no 26-28

Board Committees

To enable better and focused decision making for the Company, the board had delegated certain powers to the respective committees of the Board. The decision made by the Committees are reported to the Board at the subsequent meeting.

The various Board Committees in place are:

Audit Committee

The primary objective of the Audit Committee is to review financial statements, recommend the appointment, remuneration and terms of appointment of the statutory auditor of the Company, review the effectiveness of internal control, discuss and note the internal audit reports amongst other objectives.

The Audit Committee has been constituted by the Company in terms of provisions of Section 177 of the Act and Regulation 18 read with Part D of Schedule II of SEBI LODR Regulations and is chaired by Non-Executive Independent Director. The Committee comprises 3 Directors as its members, out of them two are Non-Executive Independent Directors. The composition of the Committee is in adherence to provisions of the Act, SEBI LODR Regulations and the RBI master directions for housing finance companies.

Ethics and Governance

The members of the Audit Committee as at Mar'22 were:

Sr. No.	Name	Category	Designation
1	Ms. Sucharita Mukherjee	Independent Director	Chairperson
2	Ms. Geeta Dutta Goel	Independent Director	Member
3	Mr. Maninder Singh Juneja	Nominee Director	Member

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for formulating criteria for appointment of Directors and KMPs and thereafter recommending their appointment to the Board.

The Nomination and Remuneration Committee has been constituted by the Company in terms of the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations and is chaired by Non-Executive Independent Director. The Committee comprises of 3 Directors as its members, all of them being Non-Executive Directors, 2 out of which are non-executive Independent Directors. The composition of the Committee is in adherence to the provisions of Act and SEBI LODR Regulations. The Company Secretary of the Company acts as Secretary to the Committee.

The members of the Nomination and Remuneration Committee as at Mar'22 were:

Sr. No.	Name	Category	Designation
1	Ms. Geeta Dutta Goel	Independent Director	Chairperson
2	Mr. Anuj Srivastava	Independent Director	Member
3	Mr. Narendra Ostawal	Nominee Director	Member

Stakeholder Relationship Committee

The primary responsibility of the Stakeholder Relationship Committee is to consider and redress the grievances of security holders, ensure proper and timely redressal of investor queries as well as review measures taken for effective exercise of voting rights by shareholders. The Committee also monitors any changes to the Shareholding Patterns of the Company. The Board had constituted the Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations.

The members of the Stakeholders Relationship Committee as at Mar'22 were:

Sr. No.	Name	Category	Designation
1	Ms. Sucharita Mukherjee	Independent Director	Chairperson
2	Mr. Manoj Viswanathan	Managing Director & CEO	Member
3	Mr. Maninder Singh Juneja	Nominee Director	Member

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for formulation, recommendation and monitoring of the utilization of the funds for the Company's CSR projects.

The Corporate Social Responsibility (CSR) Committee was formed as per Section 135 of the Companies Act, 2013.

The members of the CSR Committee as at Mar'22 were:

Sr. No.	Name	Category	Designation
1	Ms. Geeta Dutta Goel	Independent Director	Chairperson
2	Ms. Sucharita Mukherjee	Independent Director	Member
3	Mr. Manoj Viswanathan	Managing Director & CEO	Member

Risk Management Committee

The primary objective of the Risk Management Committee is to assist the Board in identification, evaluation and mitigation of risks as well as to approve the risk management framework and monitoring of the same regularly.

The Risk Management Committee has been constituted in accordance with Regulation 21 read with Part D Schedule II of the Listing Regulations and the Master Direction- NBFC – HFC (Reserve Bank) Directions, 2021.The Committee's role and responsibility have been defined by the Board of Directors, and it has been delegated the monitoring and review of the risk management plan, as well as other functions, which specifically includes cyber security.

The members of the Risk Management Committee as at Mar'22 were:

Sr. No.	Name	Designation	Category
1	Mr. Maninder Singh Juneja	Nominee Director	Chairman
2	Ms. Sucharita Mukherjee	Independent Director	Member
3	Mr. Narendra Ostawal	Nominee Director	Member
4	Mr. Manoj Viswanathan	Managing Director & CEO	Member
5	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
6	Mr. Ajay Khetan	Chief Business Officer	Member
7	Mr. Ashishkumar Darji	Chief Risk Officer	Member

Other Management Committees:

Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee is led by the MD & CEO and senior officials of the Company and functions under the supervision of the Board of Directors. The Committee is responsible for keeping a watch on the asset liability gaps, if any. ALCO lays down policies and thresholds and limits relating to assets and liabilities.

The members of the Asset Liability Management Committee as at Mar'22 were:

Sr. No.	Name	Designation	Category
1	Mr. Manoj Viswanathan	Managing Director & CEO	Chairman
2	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
3	Mr. Ajay Khetan	Chief Business Officer	Member
4	Mr. Gaurav Mohta	Chief Marketing Officer	Member
5	Ms. Vilasini Subramaniam	Head Strategic Alliance	Member

IT Strategy Committee

The role of the IT Strategy Committee is to have an effective IT strategy by which IT risks are monitored and mitigated and IT controls are in place. It is also responsible for effective governance mechanism of the IT operations of the Company as well as outsourced operations.

The IT Strategy Committee comprises of one Independent Director, MD & CEO and few senior officials of the Company. The Committee is chaired by the independent director, Mr. Anuj Srivastava.

Ethics and Governance

Sr. No.	Name	Designation	Category
1	Mr. Anuj Srivastava	Independent Director	Chairman
2	Mr. Manoj Viswanathan	Managing Director & CEO	Member
3	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
4	Mr. Ajay Khetan	Chief Business Officer	Member
5	Mr. Gaurav Mohta	Chief Marketing Officer	Member
6	Ms. Vilasini Subramaniam	Head - Strategic Alliance	Member
7	Mr. Dharmvir Singh	Chief Technology Officer	Member
8	Mr. Devendra Mani	Head - Operations	Member

ESG Execution Team

The ESG execution team comprising of management team members and certain employees is responsible for execution of the ESG program. The team shall track ESG performance regularly. The ESG execution team is also responsible for the review of ESG policy on an annual basis or as per requirement.

The terms of reference of the ESG execution team will be:

- To review ESG projects, identified from time to time, with a view to ensure that they are in line with the objectives and the ESG Policy of HomeFirst;
- To have an oversight for ensuring that ESG related initiatives are designed, implemented and periodically monitored based on the implementation framework;
- To receive updates from the execution team regarding HomeFirst's ESG initiatives;

Policies

Policies and frameworks are formulated in line with the requirements of various laws and stakeholder expectations. It is a medium through the Board to communicate its position on various aspects of the business operations, practices and processes. Few of the policies are:

- Code of Conduct for the Board of Directors and the Senior Management Personnel Related Party Transactions Policy
- Vigil Mechanism and Whistle Blower Policy
- Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Anti-Corruption & Anti-Bribery Policy
- ESG Policy
- Customer Grievance Policy
- Fair Practice Code
- Know Your Customer(KYC) and Anti Money Laundering Measures Policy
- Internal Guidelines on Corporate Governance

Awareness of these policies is created by providing training on them once a year and access to the same is also provided for future reference.

As disclosed to the Company, no disciplinary action has been taken by any law enforcement agency for any charges of bribery/corruption against Directors /KMPs/employees

Grievance Redressal For Customers:

As a service organization, customer service and customer satisfaction are of prime concern to Home First. We have a Customer Grievance Redressal policy. The objective of the policy is to have a clearly defined and easily accessible mechanism for dealing with and settlement of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal and review of customer grievances.

Every branch of the Company including the Corporate Office maintains a Complaint Register for recording the complaints received and their redressal there of and the same is placed quarterly before the Audit Committee for its review.

Escalation matrix:

The company has a three-level escalation matrix for handling customer grievances:

a. Level-1

Any aggrieved Customer of Home First can take up the grievance with the concerned Branch Manager of the Company or alternatively can call at 1800 3000 8425 or write it to us at loanfirst@homefirstindia.com. The Branch Manager is required to reply to the Customer within 7 working days from the date of receipt of the complaint in the office with a copy to the Regional Manager & Customer Service Department at Corporate office on loanfirst@homefirstindia.com.

b. Level-2

If the aggrieved customer is not satisfied with the reply provided by the Branch Manager or in case no reply is received within the stipulated period or the complaint is against the Branch Manager, the customer can escalate it to the Central Customer Service Team at the following email address query@homefirstindia.com.
The Central Customer Service Team is required to dispose of the Complaint within 15 working days from receipt of the Complaint.

c. Level 3

If the aggrieved customer is not satisfied with the reply provided by the Central Customer Service Team or in case no reply is received within the stipulated period, the Customer shall escalate its complaint with the Grievance Redressal Officer at the following address:

Grievance Redressal Officer
511, Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai-400 059
Phone: 022-28241485

Email: complaints@homefirstindia.com

The Grievance Redressal Officer is required to dispose of the complaint within 30 working days of receipt of the complaint in the Corporate Office.

Alternative Remedy:

If the aggrieved customer is not satisfied with the reply provided by the Grievance Redressal Officer also or in case no reply is received within the stipulated period, the customer can approach the National Housing Bank via the following modes:

Online mode: https:/grids.nhbonline.org.in

Offline mode: The customer can alternatively write it to National Housing Bank and can post the same to

Complaint Redressal Cell
National Housing Bank
Department of Regulation and Supervision
4th Floor, Core 5A, India Habitat Centre,
Lodhi Road New Delhi 110 003

Grievance Redressal For Investors:

The investors/shareholders can mail to following address or alternatively call on the given landline number:

Home First Finance Company India
Mr. Shreyans Bachhawat,
Company Secretary

511, Acme Plaza, Andheri Kurla Road,
Andheri East, Mumbai 400 059
Email: corporate@homefirstindia.com
Tel No: 022 6694 0386

Investors / Shareholders can also register their queries / complaints on the below alternatives:

"SEBI Complaints Redress System":
https://scores.gov.in

Kfin Technologies Limited (Share Transfer & Registrar Agent)(formerly known as KFin Technologies Private Limited)Selenium Tower-B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telangana, India
Email: einward.ris@kfintech.com

Fortifying Data Protection and Privacy

Our governance is further strengthened by our robust cyber security framework and our stable and scalable technology infrastructure. We are a tech-driven affordable finance company. We target first time home buyers. Such customers find it difficult to disrupt their daily work routine and apply for a loan. Hence, our focus is to provide a solution to process the loans digitally from lead to disbursal stage. We use our tech-platforms to perform functions such as lead generation, underwriting, property valuation and collections. We capture and store all our data on a cloud services platform. Since our CRM, loan management and accounting systems were maintained on the cloud, we were able to easily migrate to a work-from-home model during the disruptive pandemic

Our operations depend on our ability to process a high volume of transactions across our network of branches, which are connected through a cloud network to our corporate office. We have an integrated customer relationship management, loan origination and loan management system. Further, we have developed proprietary data science models, data lake and mobile applications. As part of our growth strategy, we intend to further develop and invest in our information technology systems and create an end-to end digital process.

We have a well-established IT infrastructure that ensures performance stability and flexibility as well as IT security. We have a detailed IT policy in place, which sets out processes and controls that are required to be maintained in relation to the IT systems. The policy is amended from time to time in order to be compliant with the guidelines of NHB as well as other regulatory bodies. In addition, we conduct an IT audit once every two years, to determine issues and process level gaps, if any. As part of our IT risk management process, we consider the information (in IT assets or IT systems) at risk, determine the consequence of compromise of such information, identify threat, recommend appropriate security controls and safeguards, and determine the reduced residual risk remaining after the controls and safeguards are implemented. We also train our new and existing staff in our IT policies, procedures and codes of conduct.

Data Protection & Customer Privacy

At HomeFirst, we are committed to providing the best customer service while also protecting customer information they trust us with. We recognize that this commitment is not just about the loan products and services we offer, but how we operate as an organization with respect to our own compliance.

Home First has implemented an organization-wide data protection compliance strategy intended to meet all requirements in the applicable regulation, involving a cross-functional team of internal resources. We have maintained industry best practices to incorporate data protection and privacy in our day-to-day practices, as well as build strong compliance programs.

Customer Consent

When a customer applies for a loan with us, he consents to providing his personal details to us and once the loan is sanctioned, the customer details are governed by the loan agreement executed by him. We ensure that the customer provides his consent for processing the loan.

We have a dedicated mobile application for customers where they can carry out a number of transactions, including accessing their loan statements, prepaying loans and raising queries. This enables the customer to access information on his/her loan in strict privacy.

Data Security:

We have taken and will continue to take reasonable efforts to protect Personal Data in our possession or control by making reasonable security arrangements to prevent unauthorized access, collection, use, disclosure, copying, modification, disposal or similar risks.

Fortifying Data Protection and Privacy

- We have an integrated customer relationship management and loan management system on a dedicated platform, which serves as a single portal for all internal and external customer related interactions. We have agreements with service providers to ensure data security and business continuity.

- Our applications/servers/LMS/CRM/Database all communicate with each other with the help of APIs which are encrypted using the latest security algorithms. All APIs are IP restricted to prevent DDoS attack (Distributed Denial of Service Attack) and to ensure that the privileged users have access to these APIs. All our applications have gone through VAPT (Vulnerability Assessment and Penetration Testing) and we have received the requisite certification for the same.

- We use administrative, organizational, technical, and physical security measures to protect the confidentiality, integrity, and availability of the personal information. These measures include technological safeguards and appropriate access controls to data and facilities.

Data Request Management:

Disclosure of process for evaluating and responding to law enforcement or government data requests - The Credit Information Companies (Regulation) Act, 2005 and the respective RBI and NHB Directives state that all credit institutions should become a member of a Credit Information Bureau. In compliance of the same we currently provide monthly data to TransUnion CIBIL, Equifax Credit Information Services Pvt. Ltd., CRIF High Mark Credit Information Services and Experian Credit Information Company of India Pvt. Ltd. with regards to our loans and EMI payments.

As per the Central Government's directives, the lending institutions shall register all information with regards to security interests created on any asset or property with CERSAI. Such registration is required to be completed within a period not exceeding 30 days from the date of the creation of security interests. In compliance with the same we provide the data pertaining to our secured assets to CERSAI.

Apart from this customer data is also disclosed for various compliance purpose such as statutory audit, internal audit and investor disclosures.

Data is shared with third party service providers only on a need-to-know basis subject to thorough confidentiality obligations vide exhaustive service agreements executed for the arrangement.

Employee Training and Awareness:

All HomeFirst employees must complete data privacy and security training. In addition to these training requirements, we continue to conduct ongoing awareness initiatives for data protection, security and privacy.

All the new joiners are made to sign the General Terms and Conditions of service which enumerates the importance of confidentiality along with a mandatory training program where they are made aware about the same. We also have a training module for the employees wherein periodic tests are conducted in order to ensure applicability.

Business Continuity and Disaster Recovery

HomeFirst has board approved policies on Business Continuity Plan and Disaster Recovery Plan. Business impact analysis is included in its BCP Policy as well as in Risk Management framework. The functioning of BCP is monitored by the IT Strategy Committee as well as by the Board by way of periodic reports.

Stakeholder Engagement

Stakeholder Group	Modes of Engagement	Frequency	Purpose and Scope
Customers	• Customer satisfaction surveys and feedback • Interaction at Branches • Tele banking - Customer Care • Digital Channels - Customer App, SMS, WhatsApp, Social media platform, Chatbot, Video Call • Pamphlets • House Visits/Work Visits	Ongoing	Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have - to provide quality customer service
Employees	• Email communications • Physical/virtual meetings • Appraisal Process • Online Surveys • Employee Engagement Initiatives • CRM/LMS Work-flow	Ongoing	• Training and development sessions • Wellness and counselling sessions • Employee Welfare Schemes • Conducting Business
Shareholders / Investors	• Quarterly reports, Annual reports and Press releases • Investor meets and Annual General Meetings (AGMs), including virtual investor meets and virtual AGMs in the era of COVID-19 pandemic • Newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/ conferences.	Ongoing	• To stay abreast of developments in the Company • Compliance • Economic performance • Governance and Ethical practices

Stakeholder Group	Modes of Engagement	Frequency	Purpose and Scope
Regulators, Lenders and Credit Rating Agencies	• Email, one-on-one meetings, concalls, video- conference, mandatory filings with regulators	Ongoing	• Discussions with regard to various regulations and amendments, inspections, approvals
Communities & NGOs	• Community welfare programs • Project Assessment reviews • Joint assessment of projects	Ongoing	• Implementation of CSR Initiatives and status of the initiatives undertaken
Research Analysts	• One-on-one meetings, concalls, video-conferences	Ongoing	• Keep abreast of developments of the Company
Channel Partners & Key Partners	• Regular meetings/ mails/ phone calls	Ongoing	• Partnership and business development

Materiality Assessment

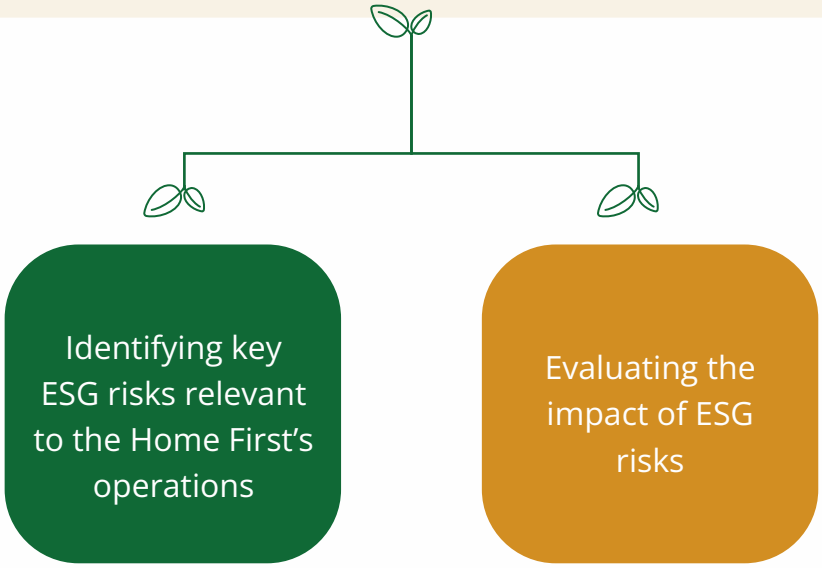
We identified material risks which have an impact on our business operations.

Materiality assessments are the vital starting point, from which one can manage their non- financial risks and opportunities.

The definition of "material aspects" as per Global Reporting Initiative (GRI) include those aspects that reflect an organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

A materiality assessment exercise was performed to determine and manage the risk inventory and understand its relationship with the business strategy, objectives and performance.

The following steps have been conducted as part of the exercise:



Materiality Assessment

Sr. No.	Material Topic	Category	Capital Impacted	Why is this material
1	Corporate Governance	Governance		Corporate governance is the key for smooth business operations. HomeFirst strives to adopt best practices and ensures adherence to all applicaple regulatory requirements.
2	Risk Management	Governance		Risk management is essential to proactively evaluate the possible risks across the business organisation and processes and implement measures for mitigating and addressing the same.
3	Code of Conduct and Business Ethics	Governance		Code of Conduct and Business Ethics is critical to ensure ethical conduct of business operations, legal compliance and building trust of all the stakeholders.
4	Sustainable Finance	Governance		Sustainable Finance is required to ensure financial inclusion of the lesser privileged community. This also aids in promoting growth of the Indian economy.
5	Employee Training and Development	Social		To ensure competitive advantage and drive the business, it is essential to have a well trained workforce. The employees and improve their productivity.
6	Employment and Labour Practices	Social		For efficient conduct of business and adherence to the rules and regulations, it is essential for the company to have compliant employment and labour practices. This inturn attracts and retains talent.
7	Data Protection and Privacy	Social		HomeFirst is a tech driven company functioning in a services sector, hence Data protection and privacy is very critical to ensure responsible usage of data, appropriate storage and confidentiality of the data.
8	Health and Safety	Social		To ensure health and safety of employees is of paramount importance for the company and sustainable development of its employees.
9	Customer Satisfaction	Social		Customer satisfaction is of primary focus for HomeFirst. Customer first approach and providing quality service to our customers forms the core of our business operations.
10	Community Relations	Social		HomeFirst believes in working for the benefit of the society by implementing and adopting various CSR measures. The impact created by way of CSR initiatives is a reflection of HomeFirst values.
11	Operational Eco-efficiency	Environmental		In our endeavour to provide faster service to customers with high degree of accuracy and efficiency, we strive to digitise our processes and thereby promote operational eco- efficiency.
12	Climate Resilience	Environmental		To move towards low -carbon economy, HomeFirst strives to adopt measures to be more eco-friendly and energy efficient.

Financial Capital | Social and Relationship Capital | Intellectual Capital | Human Capital | Natural Capital

Financial Capital

Summary

Our disciplined approach towards managing our financial capital have led to a strong financial position, sustained growth and improving shareholder returns. The financial capital includes shareholder equity, retained earnings, external borrowings among others.

Despite challenges over the past couple of years due to Covid disruption, Credit Rating agencies have continued to reaffirm their belief in our business model by improvement in outlook (by ICRA) from A+ Stable to A+ Positive and "India Ratings" assigning "AA- Stable".

We remain diligent about optimising our cost of operations along with the cost of borrowings. This enables us, besides other factors, to offer access to finance to the unbanked, thereby supporting one of our ESG goals of financial inclusion.

Particulars	FY20	FY21	FY22
AUM in ₹ Crs	3,618	4,141	5,380
NIM	5.1%	4.7%	5.4%
ROA	2.7%	2.5%	3.6% ^
ROE	10.9%	8.7%	11.8%^
Opex to Asset	3.5%	2.7%	2.7%
GNPA	1.0%	1.8%	2.3%^^
NNPA	0.8%	1.2%	1.8%^^

^Adjusted RoA at 3.6% and Adjusted RoE at 11.8% are computed considering Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment
^^Our Gross Stage 3 (GNPA) as at Mar'22 stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%).
Our Net Stage 3 (NNPA) as at Mar'22 stands at 1.8% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 0.9% (Mar'21: 1.2%).

Industry Leading Performance in a challenging environment

Your company has maintained its growth momentum and delivered improvements in majority of its key financial parameters. Despite being a pandemic-disrupted year, your company held up with a strong customer base, robust risk management framework and best governance practices. Your company crossed an AUM of ₹ 5,000 Crs in Jan'22.

Raising the right resources in challenging times: Liquidity raised in FY22: ₹2,015 Crs

Our efficiency in managing capital can be seen from our diversified sources of capital incl NHB refinancing.

During the year ended Mar'22, the Company raised over ₹ 2,015 Crs in long term borrowings across quarters reflecting the strength of it's balance sheet.

- Maintained cumulatively positive ALM gaps and high liquidity in stress scenarios.
- Favourable interest rate environment and our treasury efforts led to a reduction in cost of borrowings and further focussed on building a strong liability franchise.

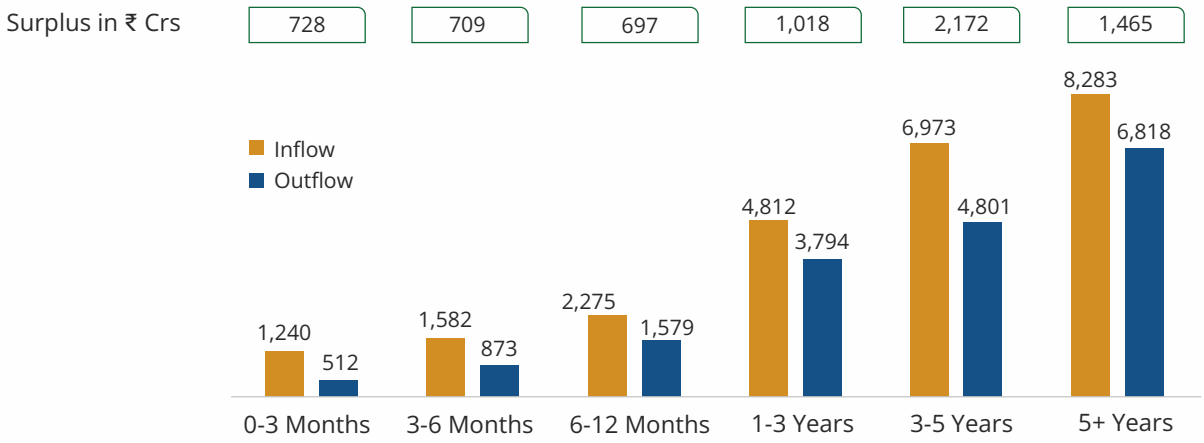
Our profitability in disruptive times, is an outcome of the operational efficiencies built into our system. We continue to deliver a double-digit growth in earnings, with an increase of 73.8% in net profit, while keeping a check on our operational costs, resulting in a lower cost to income ratio of 34.0%. The business resilience is an important indicator of our credit risk evaluation and management. Our key strength continues to be maintaining one of the lowest levels of Gross Non-Performing Assets (NPAs) in the industry with provision coverage ratio of 47.1% (83.6% pre-RBI circular).

Financial Capital

Prudent Asset Liability Management

ALM framework at HomeFirst involves measuring, monitoring and managing liquidity and interest rate risks and is closely aligned to the Company's business strategy and risk management. HomeFirst has built a strong ALM framework by maintaining cumulative positive liquidity gaps in all buckets. HomeFirst is compliant with LCR requirements. Company remains prudent and holds liquidity of ₹1,063 Crs (₹ 1,063 Crs includes Undrawn bank lines of ₹ 437 Crs) as of Mar'22.

ALM Position (as of Mar'22)



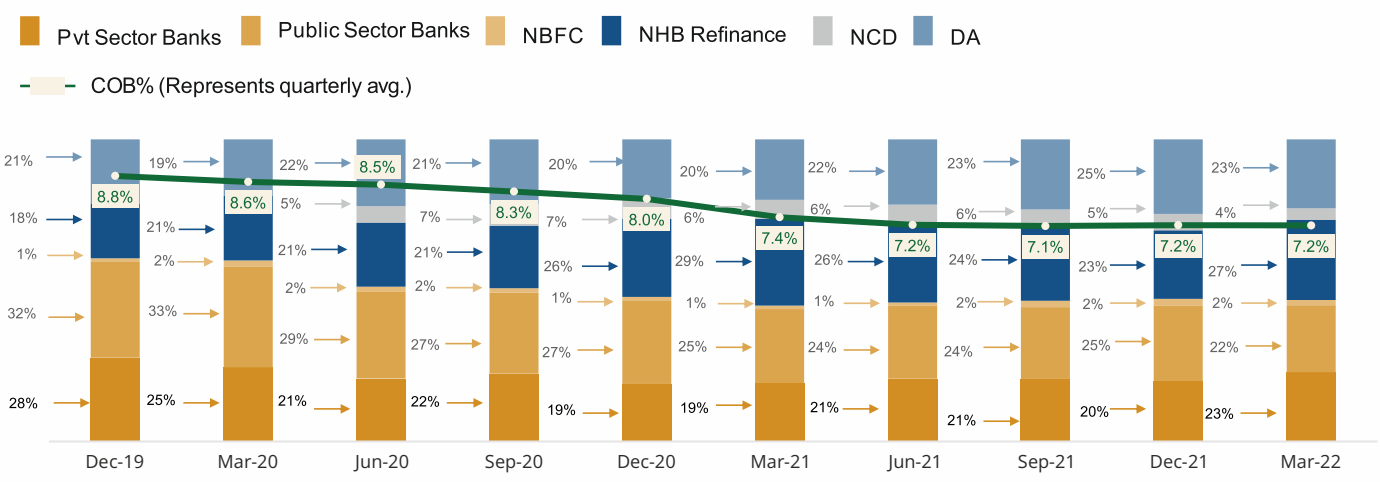
Robust Liability Management

HomeFirst, due to its strong business fundamental continues to enjoy competitive rating from reputed rating agencies. This combined with market confidence provides access to diverse sources of funds such as Term loans, NCD, etc. Our treasury also makes continuous efforts to reduce the Cost of Borrowing (CoB) of existing borrowing through various measures.

During FY22, HomeFirst entered into Direct Assignment (DA) transactions amounting to ₹ 465 Crs DAs are an efficient source of funds for us as it helps us manage ALM and release capital for further growth.

We also believe that short term sources of funds, though cheaper, are not appropriate for a long duration asset like housing loan. Hence, we have not raised any funds from Commercial Paper or other short-term sources.

Borrowings Mix and Cost of Borrowing Trend



Financial Capital

Balance Sheet

HomeFirst saw significant improvement in collections and disbursements in year ended Mar'22, highlighting the robustness of the unique business model. HomeFirst continues with prudent provisioning policy enabling absorption of any shocks on account of Covid.

Provisioning

By the end of Mar'22, collection efficiency improved materially and we expect our delinquency buckets to reach pre-Covid levels in FY23. We have been conservative in providing for bad loans and have provision of 1.1% on book.

Despite challenging times, asset quality improved. Our Gross Stage 3 (GNPA) stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%). The Company is still carrying ₹47.8 Crs of provisions. The PCR (Provision Coverage Ratio) is stable at 47.1% as at Mar'22 (pre-RBI circular: 83.6%).

Credit Rating

During the year, there were two important developments related to credit rating. India Ratings & Research has assigned AA- Stable for Term Loans and NCDs of Home First. Also, ICRA upgraded the long-term outlook on the company to A+ with a Positive Outlook. We believe, these improvements on outlook and rating are due to our excellent asset quality, strong focus on profitable growth, resilient customer segment and strong balance sheet. We believe the above actions can help us in lowering cost of borrowing and diversify our source of funds.

	FY21		FY22	
Rating Agency	Short Term	Long Term	Short Term	Long Term
ICRA	A1+	A+ Stable Outlook	A1+	A+ Positive Outlook
CARE	NA	A+ Stable Outlook	NA	A+ Stable Outlook
India Ratings	A1+	NA	A1+	AA- Stable Outlook

Natural Capital

Real estate sector contributes up to 6-7% to India's GDP. Of this, the housing sector alone accounts for 22% of all the emissions and increasing at an alarming rate as urbanization becomes more and more mainstream. Cities across the country are continually spreading to welcome new residents, the majority of whom are migrants moving to a bigger city for employment opportunities. As their lives and earnings stabilize here, these migrants turned residents look to improve their standard of living by owning a home in the city. As per Knight Frank, gap of 9.7 Crs houses is projected in India between 2019-30, this is a sizeable chunk of the market set to build their houses in near future. By the year 2030, India's new climate targets aim to reduce carbon emissions of the country by 1 billion tonnes. In order to meet the reduced emissions with increasing population and demographic shift towards urbanisation and nuclearization, it becomes imperative to focus on housing sector.

At the present moment, green buildings only constitute 2% of the total new constructions in our country. The end-users in the affordable segment lack awareness and are very price sensitive in nature. The general misconception around the matter is the belief that green buildings and environmentally sustainable housing are only an issue for the rich and wealthy since it is expensive. However, our research revealed that this could not be farther from the truth.

As we decided to understand the problem on the ground, we carried out our own field research, talked to our customers, and reached out to members of the construction ecosystem. This made us realise that there are several small alternatives available which are not only easy on the pocket but can also help make a big difference environmentally.

This led us to understand the concept of a 'Green Home'- an environmentally sustainable home that focuses on efficient use of natural resources. Let's see what makes a home a green home:

What Makes a Home Green Home?

- Use of Eco friendly building materials during construction to reduce carbon emission
- Use of energy efficient lighting, cooling systems and other appliances
- Adoption of sustainable lifestyle. Mindful of water wastage and usage of cheap plastics
- Provision of natural light, ventilation and protection from heat
- Integrating renewable energy for daily consumption like solar panels for water heaters
- Recycling of water, rain water harvesting units and effective waste management

To create some real impact, we have started our journey toward turning individual homes into green homes and this is our progress towards the same now

Source: Fortune India

Natural Capital

Journey So Far

Q1

Understanding the problem; Internal research and field work

Understanding green evaluation and certification.

Conceptualisation of Green Box and started with awareness programs for the ecosystem

Q2

Co-creating a green evaluation mechanism for the individual units in the AFH space

Further development of green calculator

Q3

Co-creating the evaluation and certification process for the individual units in the AFH space

Pilot study in Bangalore

Q4

Proof of concept established

Sample impact reports created

Started building a green roadmap

As we set out to reduce the carbon footprint in our ecosystem through interventions, we selected three main routes towards a Green Future: A Green Box to convert affordable homes to green homes, digital processes to reduce our daily carbon footprint and environmental interventions through adopting and promoting eco-friendly practices.

So, as we understood the concept of a green home, we developed a program called Green Box - A simplified solution to turn affordable homes into green homes. As we looked for an evaluation process to certify a green home, we realised that the existing certification and evaluation mechanism needed a framework to measure how we define a green home. So, we set out to create a format to assess and grade individual housing units based on their environmental sustainability. With a large share of our country residing in unorganised, individual houses, we sought the help of several experts and authorities on the subject to discuss and co-create a greenhouse rating calculator to gauge the same. As the affordable housing sector leads the charge for post covid recovery in the industry, the completed calculator shall soon pave way for a new wave of affordable green homes in the market.

Next, with tech in mind, our interventions in digital processes also go a long way in helping us become environment-friendly and reduce our carbon footprint. Gone are the days when you needed to take a road trip to a bank branch to print out paper bank statements or having them mailed and delivered to your home. We have full-service mobile apps, that cater to all our customer needs and through it, we are trying to catalyze decarbonization. When our customer repays through the app, we are saving on carbon emissions. When they pull out an account statement from the app, we are saving paper. We are not only helping our consumers and business partners make informed choices we are also prioritizing the planet! More and more processes everyday are taking the online route starting from onboarding to collections. The tribulations of covid have further inspired innovations like e-verification, and e-signing. Over time, all these interventions are bound to make a huge dent in our carbon footprint through savings not just on paper but also on fuel.

Various metrices tracking the technological initiatives undertaken by the company across processes and operations is detailed in the Intellectual Capital Chapter on pg 72. Further, the digital adoption of Company's mobility

Natural Capital

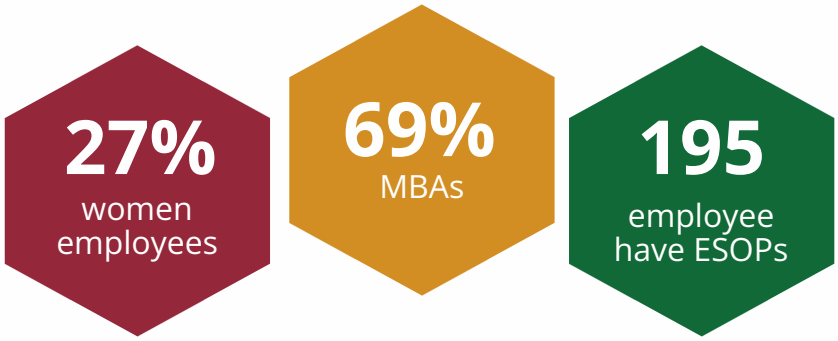
solutions is gaining traction. In the last quarter of FY22, we witnessed 34.1% y-o-y growth in App logins, 96.9% y-o-y growth in the number of unique users making payment via app and an increase of 41.8% y-o-y in the number of service requests raised on the App.

Lastly, not only within our operations, we are also promoting environmental sustainability in our society. Recently, we created a Herbal Garden with 1,000 herbal plants in Palghar district of Maharashtra and distributed 4,000 fruit tree saplings to farmers from the marginal community. This will not only help create a new source of income for these marginalized families and tribal communities but also off set some carbon footprints. All branches of HomeFirst use jute bags and other recycled products for any documentation, gifting or storage purposes internal or external. As we scale up the interventions to reduce our carbon footprint we hope to inspire other organisations.

Human Capital

HomeFirst understands and acknowledges that human capital is an important business enabler and an important asset for the company. HomeFirst understands the importance of workplace culture and creating an environment for employees to grow and thrive. Our culture empowers employees to be agile, learn and develop skills and achieve their full potential. We have an entrepreneurial organisation culture that drives innovation – this in turn promotes high employee & customer satisfaction. We have been Certified as "Great Place To Work" by GPTW Institute for 2 successive years.

Differentiated people strategy



Culture

Entrepreneurial organisation culture that drives innovation - high employee & customer satisfaction

Career

Preferred employer for fresh MBAs & B.Techs
Offering fast growth into leadership positions

Compensation

High degree of employee ownership - 195 employees have ESOPs

Diverse Workforce

We primarily employ people who have obtained their engineering or management degrees and we hire them directly from campuses instead of hiring them from other organizations. Further, we also hire management trainees in the organization to provide them a platform for their first step into the corporate world. We are an equal opportunity organization. We are committed to a policy of treating all its employees and job applicants equally. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression. We practice equal pay for equal work and do not discriminate on the basis gender or any other factor. As of Mar'22, approximately 69.1% of our employees had obtained a post-graduation in business administration or management and approximately 32.0% had a bachelor in technology degree or a bachelor in engineering degree. We are a young and diverse organization with a median age of 26.50 years, and approximately 27.4% of all of our employees are women. 51.7% of our employees at head-office are women, as of Mar'22. Our hiring and training procedures have helped us achieve superior employee productivity with an average disbursement of ₹2.6 Crs per employee for the financial year 2022 (compared to ₹ 1.6 Crs per employee for the financial year 2021) and resulted in a consistent improvement in disbursement per employee, while maintaining asset quality.

Human Capital

851
No. of employees

Gender Representation

27%
Women employees

52%
Women at head office

20%
Women in senior management

Age	Total no of employees	%	Female employees	%	Male employees	%
Under 30 years	680	79.9%	198	85.0%	482	78.0%
30-50 years	169	19.9%	35	15.0%	134	21.7%
> 50 years	2	0.2%	0	0.0%	2	0.3%
Total	851	100.0%	233	100.0%	618	100.0%

Training & Development

We have an elaborate year long training and development program for all our new hires, which comprises of classroom-training sessions, on the job training and a buddy program.

Aspire Program-Aspire is the opportunity for growth from a Relationship Manager/ Customer Service Manager to Branch Manager at Home First. The objective is to nurture fresh minds and give them a big platform.

Evo Program-Evo is an "evolution" program for all our newcomers at HomeFirst. The idea is to turn a novice into a professional with the help of an interactive training & assessment program.

Human capital development is one of the key focus areas for us and we strive to upskill the employees by providing them functional, behavioural and other types of trainings. The different types of functional trainings conducted include property, credit, disbursal, collection. We also provide training on interpersonal skills, grooming and etiquette as well as on leading teams. Areas such as code of conduct, different policies of the company and information security are also covered in our training programs. During the year, 392 manhours of six sigma training was provided to eligible employees. We have also framed leadership development training program for employees at managerial levels. Further, all employees undergo career development discussions and performance appraisal.

Ratio of basic salary and remuneration of women to men		
Management		1.08
Non-Management		
Branch	Sales	0.99
	Service	1.51
HO	L0 – L2	0.91
	L3 – L4	0.77
	L5	-

During the year FY22, 5,288 manhours of training vs 4,770 manhours of training in FY21. Since we have a young and diverse employee base with median age of 26.5 years and we have just 2 employees who are aged 50 or more, we currently do not have any transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

	Total number of training hours provided to employees	Total number of employees	Average hours of training that the organization's employees have undertaken during the reporting period
Female	1,209	233	5.19
Male	4,079	618	6.60

Human Capital

	Total number of training hours provided to employees	Total number of employees	Average hours of training that the organization's employees have undertaken during the reporting period
L0 – L2	4,893	762	6.42
L3 and above	395	89	4.43

Talent Retention

HomeFirst has employee friendly policies to create a safe and conducive working environment. We have HR Policy, Parental leave policy and Equal Opportunity Policy.

The various benefits such as health insurance, group accident insurance, maternity benefits and paternity benefits are provided to the employees. Further, for employees who have completed 5 years with HomeFirst they are inducted into the 5VY league and are eligible to enjoy a pool of perks and benefits.

In addition to compensation that includes both salary and allowances (including performance linked bonuses), we provide our employees other benefits which include insurance coverage, medical reimbursements and employee stock options. As of Mar'22, 195 employees are covered under our ESOP program.

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in current FY)			FY 2020 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	37.83%	33.41%	36.54%	18.51%	15.80%	17.64%	41.90%	23.47%	37.92%

Attrition Rate (Age and Gender-wise)

Gender	Under 30 years	30 – 50 years	> 50 years	Total
Female	37.47%	11.43%	-	33.41%
Male	42.56%	20.35%	-	37.83%

Attrition Mix (Vintage and Gender wise)

Gender	< 1 year	1 - 3 years	> 3 years	Total
Female	27%	36%	37%	100%
Male	39%	35%	26%	100%

No of employees who completed 5+ yrs : 94 (11.0%)

Human Capital

We hire employees basis our expansion plans and create opportunities for talents in these markets. We hire centrally for all our branch requirements and deploy them at various branches.

Talent Infusion – New Employees Hired (Age and Gender-wise)

Gender	Under 30 years	31 – 50 years	> 50 years	Total
Female	88	4		92
Male	288	64	1	353

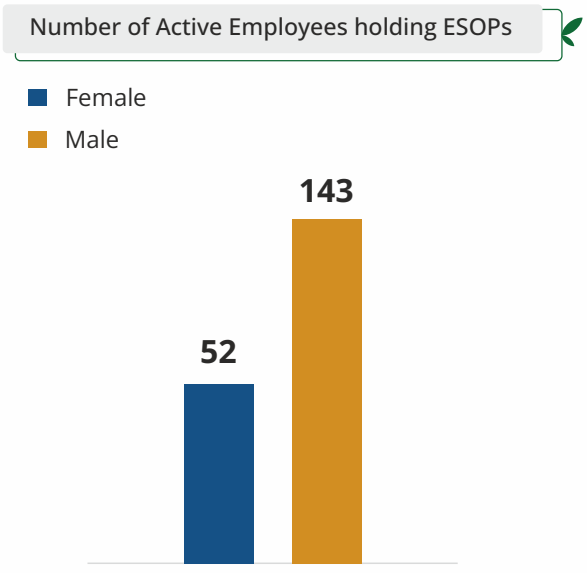
Employee Wellbeing & Benefits

HomeFirst is committed to employee safety and wellbeing. During the pandemic, treatment expenses during home quarantine for employees and their family members was covered by the company. Further, the Company has Group Personal Accident Insurance Policy and Group Health Insurance Policy for the employees. The Company also offers to cover the medical expenses, as applicable. In case of death of the employee who had ESOPs, the ESOPs immediately vest with the nominee of such an employee. The employees are given HomeFirst Lyf Culture Book at the time of code of conduct training. The Culture book provides the employees an overview of all their eligible employee benefits. During the year, we introduced the option for employees to invest in National Pension System (NPS). We introduced the option in Jan'22 and by Mar'22, 8 employees already availed the option to invest in the scheme (1 female and 7 males).

		% of employees covered by							
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits	
Category	Total	Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)
Male	618	618	100	618	100	NA	NA	618	100
Female	233	233	100	233	100	233	100	NA	NA
Total	851	851	100	851	100	233	100	618	100

HomeFirst recognizes the importance of emotional wellbeing. To promote employee wellbeing, we provide 1-to-1 counselling to employees. Further, during the year, we also conducted financial wellness programs. We have a tie-up with MyGalf to provide physical wellness sessions to employees.





Human Capital

We have a Parental Support policy where employees are entitled to avail leaves as per the Company policy.

Maternity leave:
A woman employee can avail Maternity leave under this policy for up to twenty-six weeks with full pay for upto two children and for more than two children, can avail maternity leave for up to twelve weeks (called Paid Maternity Leave).

Paternity Leave:
Men can avail Paternity Leave under this policy for upto seven working days with full pay within two months from the actual date of delivery of employee's child.

Adoption Leave:
Both men and women employees will be eligible for paid leave of up to six weeks if they are the primary caregivers of an adopted child below the age of one year.

Gender	Return to work rate	Retention rate
Male	100%	0%
Female	100%	75%
Total	100%	60%

Employees who availed parental leave in FY20 - 21, returned to work and are still on the Company rolls as on Mar'22

Gender	No of employees who took parental leave in FY20 - 21	Still employed 12 months after their return to work
Male	1	0
Female	4	3

Employee Engagement Programs
In order to boost the morale of the employees, there are many employee engagement programs undertaken throughout the year.

Diwali Dhamaka/Celebrations : Gift Hampers for all employees and special gifts on lucky-draw



Santa Is Real /Christmas Celebrations:- HomeFirst delivered gifts to all employees' kids this Christmas



On Women's Day we started with Walkathon-Walk for a cause contest for employees to support a good cause by number of steps HomeFirst employees walk. We also celebrated women employees by gifting them with a token of appreciation and conducted an internal competition to celebrate the women in their lives.

Human Capital

We celebrated crossing ₹5,000 Crs AUM milestone of the company on the company's incorporation day and listing anniversary day i.e. 3rd Feb; with all the employees with a town hall in an unconventional way by having a tete-a-tete with the MD & CEO.



Engagement surveys are conducted amongst the employees to monitor employee satisfaction. Another external engagement survey conducted was for Great Place to Work accreditation. Further, we practice an open-door policy and have regular performance appraisals and feedback processes.

To address employee complaints and grievances, the employees can raise a complaint on the employee portal or even connect personally with HR team. Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who travel to the location (in case of conflict) or reach out on phone to resolve with the complaint / grievance / issue. Any grievance raised is responded within the same day and resolved within the next 4 days. Alternatively, the employees can raise complaint on the LEENA AI portal. The company follows an open-door policy and is a lean organization. Employees have access to the management/ business heads/HR to raise their concerns.

Promoting Human Rights & Non-discrimination

HomeFirst has a very strict policy against any case of sexual harassment at workplace. We provide an easy channel for reporting the offence. We have a policy on Prevention of Sexual harassment in the workplace. To ensure women feel comfortable and safe raising their complaint, the Internal Committee is headed by a Senior Woman employee.

Cases of Sexual Harassment at Workplace	No of complaints FY 21-22
Cases of Sexual harassment	1

Cases of Discrimination at Workplace	No of complaints FY21-22
Discrimination Complaints	0

Social and Relationship Capital

CSR Activities

HomeFirst lives in every community across the nation through our customers and business partners. We can relate to the everyday struggle of a daily wager. The morning bus chase of an employee running late for work, the afternoon hunger of an autorickshaw driver, or the midnight drowsiness of a watchman swatting mosquitoes! Our philosophy of giving back to society as a responsible corporate citizen is deep-rooted in our CSR (Corporate Social Responsibility) Policy. It acts as a guiding star to design initiatives that would benefit the communities at large.

Every year hundreds of thousands of workers migrate to urban areas in search of employment opportunities to give their families a chance at a better life. Here, many of them help translate the dreams of our customers to reality. Daily wage earners and construction workers form the backbone of the housing industry. It is their sweat and tireless determination that transforms brick and mortar into a home. In order to celebrate their hard work and promote the welfare of this community that supports our cause, our CSR initiatives are focused on these groups. We have conducted surveys based on various parameters such as healthcare, workplace safety, job skills etc. with the assistance of local NGOs and created programs accordingly.

What we have done

During the year, we implemented 14 Projects. 12 projects (including donations) were executed in collaboration with NGOs and 2 of them (Covid Care and Relief and Workplace Safety) through head office and branches directly.

The community engagement process involves:

- Consultation with Stakeholders
- Need Assessment through local NGOs and employees
- Resource Allocation and Detailed Planning
- Stakeholder Engagement and Project implementation through NGOs
- Project Monitoring and Impact Assessment

Since some of them are long-term projects, we have broken them down into phases. Post completion of each phase, the NGOs submit their impact reports. In case of any grievances, the beneficiaries can walk into the community centres created in collaboration with the NGOs. Let us take you through the details of our CSR projects including our flagship projects.

Flagship Project 1

Project Sashakt

With the struggles of the migrant population in mind, we surveyed 1,000+ families in the Narol area of Ahmedabad to study their demographics, family income, educational background, and the problems they face in everyday life. The observations from our survey indicated that 63% of families only had 1 earning member of which 43 families earned less than ₹5,000. Even families with 2 or more earning members had monthly incomes less than ₹15,000. After the age of 35, their incomes stagnated due to lack of skills. On the health front, 75% of the families surveyed were not vaccinated for covid and from a socio-economic perspective, 90% of the families could not avail any Government schemes due to lack of awareness and basic documents like Aadhar card, ration card, BPL card, etc.

These families lived in a fragile situation where most of their earnings got exhausted in daily expenses, and years of savings and family heirlooms could potentially be wiped away by common diseases and health problems. The objective of our intervention was to make these families 'sashakt', meaning "self-sufficient".

From the survey of 1000 families, we selected 500 most vulnerable families for intervention. Unique identifiers were given to each family in order to facilitate tracking of benefits and progress made over a period of time. Project Sashakt aims to uplift the health and socio-economic status of these families over a period of time. Health check-up camps and covid vaccination drives were organized. Doctors at the camps checked the children for basic diseases and deficiencies and the elderly for BP and diabetes. With malnourishment being a common observation, nutrition kits were distributed to children and pregnant women. This free health check-up camp has since been made a weekly event for all families along with free medicine distribution. We have enrolled 120 individuals to learn new skills. Including GST - Tally courses, tailoring, and beautician therapy. Also, helped open 80 Sukanya Smabriddhi Yojna accounts.

In order to focus on children, we decided to incorporate a separate flagship program within Project Sashakt to specifically target holistic development for children. This led to the foundation of Bal Sashakt program. Bal Sashakt targets children aged 6-15 years in the beneficiary families for extra-curricular activities, incorporating academics, arts, crafts, sports, nutrition, culture and performing arts aspects. The first batch of Bal Sashakt was recently concluded at Narol, Ahmedabad. In addition to providing exposure to various skills and hobbies, here we help these children to become confident at expressing themselves, develop their creativity, and in the process, sometimes discover hidden talents. Added to this, the height and weight of each child is recorded at the beginning of the program and at every session, we distribute healthy food to the children. Wholesome learning has been combined with measurable health goals of these children.



Social and Relationship Capital

Flagship Project 2

Mahila Shram Shakti Kendra

When a family migrates, the women often migrate along with their husbands and kids in search of a better life. However, with restricted means and higher costs of living in urban cities, they are forced to find a job for themselves in addition to handling the responsibility of the household and children. Classified mostly as "unskilled laborers", they wait at local market spots to get hired by the local construction contractors. Here they face the stigma of being delicate and weak, so they either don't get an opportunity to work, and even when they do, they are barely paid half the wages as their male counterparts. Adding to this, many of them also have to care for their children who end up traveling along to these harsh working conditions. When we reached out to these women to understand the various challenges and struggles in their lives, lack of job skills, and awareness seemed to be the main pain points. So, we set up 3 multipurpose centres exclusively for women workers called "Mahila Shram Shakti Kendra".

The objective of these centres is to provide a safe space for women construction workers and their children And provide them with important skills and knowledge to improve their prospects of getting regular work in the long run. Initially, women workers turned up at our centre seeking refuge to rest for themselves and their children. As more and more women heard about our centres and visited us, we started talking to them about the various ways we could help them in terms of knowledge, and skills to enhance their employment prospects. 21 Women have enrolled to learn masonry, and plumbing in the construction field as well as skills like tailoring in non-construction fields were imparted to these women.



To bring more awareness around various government social security schemes in this community, we started registering women-construction workers with Buildings and Other Construction Workers welfare board (BOCW) on e-nirman portal and registered them for insurance and health schemes. Also, workshops on financial literacy were carried out, where we helped them open a bank account, and a Jandhan account and taught them how to handle their cheque books, passbooks and how to use an ATM. Next, we launched a series of health and nutrition workshops. We started off by linking our MSSK with ICDS (Integrated Child Development Services) centres. This helped us provide primary and universal healthcare to teenage girls, lactating mothers and their children. Then, we facilitated regular access to food and nutrition, iron tablets and timely vaccinations at our MSSKs. A workshop on family planning and female hygiene was also held to build awareness of reproductive health along with valuable information on Ante-natal and Post-natal Care. In the last financial year, we have conducted 31 awareness meetings helping 650+ women.



Another important initiative was to impart legal awareness and aid among the women labourers. Following our commitment, we have provided counselling and assistance with 70+ legal cases. In addition to this, we have helped raise awareness regarding minimum wages, due payments, and payments book maintenance for 1,000+ women. Empowering women to raise their voice in places of importance and protect themselves against workplace harassment, gender sensitization workshops were held at all MSSKs by expert trainers.

Social and Relationship Capital

Other Projects

Workplace **Safety**

Loss of hearing is one of the hazards of working in a loom factory. Noise levels are upwards of 90 decibels which is 30 decibels more to an environment that is considered to be normal. So, we aided these loom workers by providing them with high-quality noise cancellation ear muffs. Construction workers are often exposed to hazardous working conditions. Basic safety gear like helmets, gloves, and glasses goes a long way in ensuring the safety of this workforce and improving their overall working conditions. We provided 5,000+ construction safety kits to workers at the construction sites.. We have also, facilitated e-shram and e-nirman card registrations in Surat. That will provide them with state-sponsored welfare schemes and benefits.





Going **Green**

This Jan'22 we crossed ₹5,000 crores in AUM. We distributed 5,000 fruit and herbal trees to the marginal farmers as a contribution to a green and cleaner environment. These initiatives will not only help the marginalized farmers / tribal communities to create an additional source of income but also help the environment. In another initiative, we have installed Solar Panels at a Physiotherapy Institute and Research Centre in Nagpur which provides its services to specially-abled individuals at discounted rates to install solar panels at their centre. This will help in cutting down the overall running cost of the centre and lower its carbon footprint.



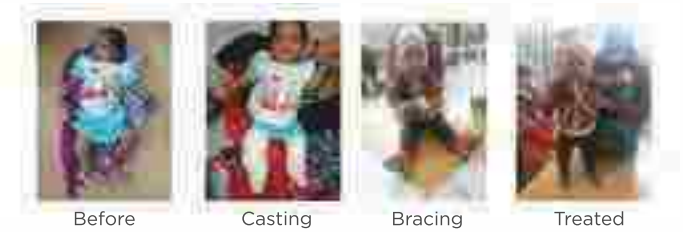
Social and Relationship Capital

Healthcare Initiatives

Financial support for medical surgeries

We sponsored cleft lip surgeries and clubfoot rectifications for close to 100 children. At Vizag, 100 cataract cure surgeries were also sponsored in association with Shankar Netralay Foundation to help the elderly get their vision back.

Clubfoot rectification



Cataract examination



Cleft surgery



Capacity Building and Covid Care

We have also made contributions to hospitals to build their infrastructure and worked with organizations like JCI and Rotary Club to provide oxygen concentrators to covid patients during the second wave of covid. We were able to help 170+ critical patients during the peak of the second wave. In addition we also contributed food kits to vulnerable families during covid.



We at HomeFirst try to use our network and resources to spread happiness and joy among the various communities at the grassroot level such that the less fortunate who live at the bottom of the economic pyramid are also able to access the best of facilities and healthcare. It is they who toil day and night in all weathers and by the sweat of their brows build the castle of our customer's dreams. While we may take you home, it is they who bring it into existence.



We are focused towards working towards betterment of our society. Given that the nature of our business is providing housing finance loans and is a service – oriented business, we do not have any direct adverse impact on the environment due to our business operations.

Social and Relationship Capital

Customer Centricity

HomeFirst is driven by relentless customer focus. We believe that customers should get the best solution. Something that would delight them. This drives us to innovate, find a smarter solution, and customize it to the individual's need.

Process

We are talking about first-time home buyers here who find it difficult to disrupt their work routines to go and apply for a loan and comprehend the terms of a loan transaction on their own. In order to address such concerns, we have set up a simple customer friendly process. Right from the application stage to the disbursement of the loan. A paperless process to onboard customers home and workplace visits to ensure minimal disruption to a customer's daily routine is just one such example of keeping the customer in mind and then working backwards.

Our Approach

We believe that we play a key role in overall Financial Inclusion by facilitating access to organised loans for affordable homes and empower buyers from the EWS & LIG segment, who account for 75%+ of our book. Also, around 90% of our loans have Woman Borrowers (either as main applicant or co-applicant). Till date, we have helped 28,368 customers to claim PMAY subsidy. We have received ₹703.8 Crs till date as PMAY subsidy that has been credited to customers' account to reduce their loan amount.

We have assumed the role of a guide to our customers. Any prospective customer can reach out to us for a free consultation and clarify any doubts that they might have regarding the loan. Our Customer Philosophy is to be "swift" by providing quick services and turnarounds, to be "transparent" in our delivery and "unconventional" if necessary to bring in any positive changes.

In our Loan Agreements, all the terms are explained in simple English and six other regional languages (Hindi, Marathi, Gujarati, Tamil, Telugu & Kannada) for easy understanding. Our website and branches also clearly display, all the fees and charges that the customer would incur for the loan and the terms and conditions which are further summarized in a document attached to the Loan Agreement - MITC (Most important terms and conditions).

Our Differentiators

Single Point of Contact
across the journey of the loan
01

No Physical Documents
required from lead to approval stage
02

Service at Home
RM visit customer at home & office to complete the loan process
03

Customized Loan
"We See You, Not Your Documents"
04

Approval in 48 hrs
Fastest turnaround in the industry
05

No Hidden Charges
One time fixed charges
06

Easy Prepayment
Zero prepayment charges
07

Consent Call Before Disbursal
Disbursal only with customer permission
08

Mobile App
Full feature app with prepayment option
09

Multiple Electronic Payment Modes
Ease of making payment via multiple payment methods
10

Social and Relationship Capital

Some of our customer friendly features are worth highlighting:

1. Product Feature - Auto Prepay:

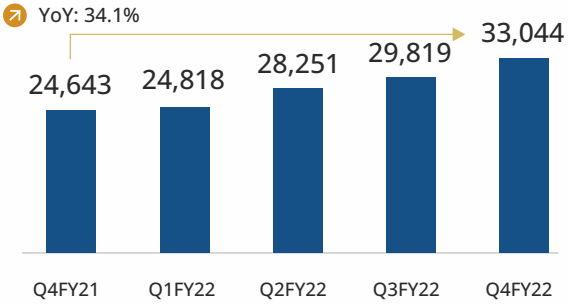
This is a small, monthly pre-payment option. Starts from as low as ₹500/- a month and comes with a flexibility to not pay if one chooses to. The facility is given for free, to all our customers through our auto-prepay feature on the mobile application. Auto-prepay gets its name from its auto-debit functionality, where customers can set their monthly pre-payment amount that would be deducted from their bank account. This feature was introduced with the objective of 'nudging' customers towards prudent financial planning by facilitating the process of pre-paying their loan. We also provide easy balance transfer options with no pre-payment charges for our housing loan customers.

2. Customer Experience - Customer App:

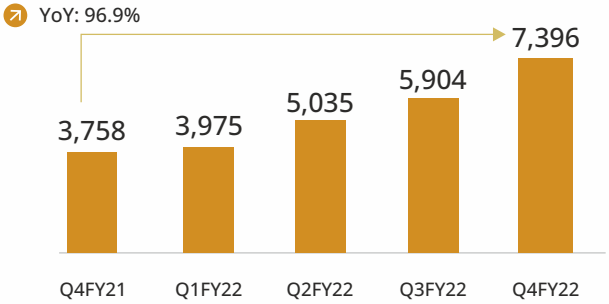
We offer mobility solutions through dedicated mobile applications for our customers to enable quick and transparent loan related transactions. We have HomeFirst Customer App which is feature rich and customer friendly. The app can be used for submitting queries, downloading the statement of account and making part payments, refer a person, locate the nearest branch, etc. The App was rated 4.2 stars as of Apr'22. Due to the ease of making payments via app, the number of customers making payments via app is going up. The service requests raised on app are also increasing.

Digital Dashboard

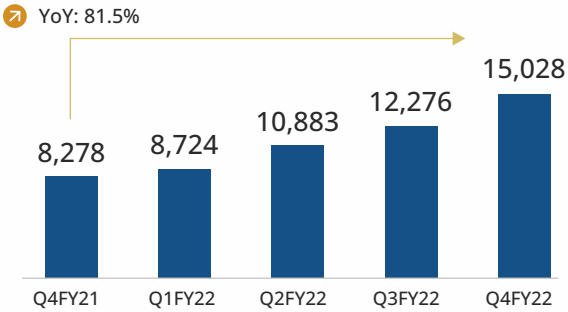
App logins



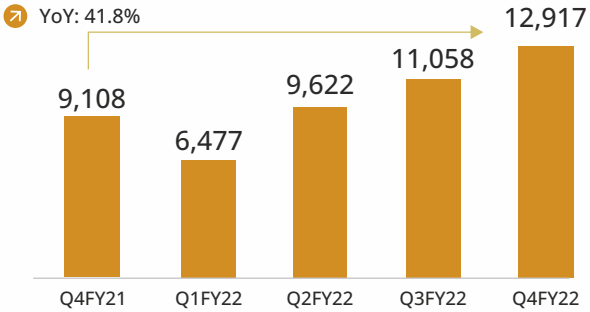
Unique Users Making Payment Via App



No of Payments Via Customer App



Service requests raised on app



Customer Awareness

We maintain high levels of transparency in all our interactions with customers across every channel. When we meet our customers in person at the branches, we conduct mandatory counselling sessions to educate them about the loan. All the key terms of the loan agreements, charges, fees etc are all explained in detail. The counselling is usually conducted in a language which the customer is most comfortable in, to ensure that the customer has good understanding of the terms and conditions and the product details. Awareness is also created around being tech smart.

Social and Relationship Capital

There's strict prohibition on pre-payment of loan via cash. Digital channels like our Website's blog section, social media handles, and marketing collaterals also frequently carry communication related to awareness. HomeFirst Gyaan Series on our YouTube channel is a similar initiative – where we educate the customers on various topics related to home loans and allied activities in a vlogging format.

Customer Engagement Activities

We aim to maintain high levels of customer service and we have mapped each customer to a dedicated service manager and a relationship manager. We send regular updates to customers on the status of their loan applications and remind them of their payment schedules through automated calls and text messages. We undertake various activities in order to engage with our customers from time to time. We send birthday wishes, season's greetings, etc. We also have a Customer Grievance Redressal Mechanism in place to address the concerns of the customers in a professional and timely manner.

Response

As a result of our expertise, experience, business model and a customer centric approach, we are able to effectively serve customers and achieve superior net promoter scores. We take feedback from customers after every service closure (CSAT). Our approach has been to listen carefully to our customers, take feedback, understand the issues and create meaningful solutions.

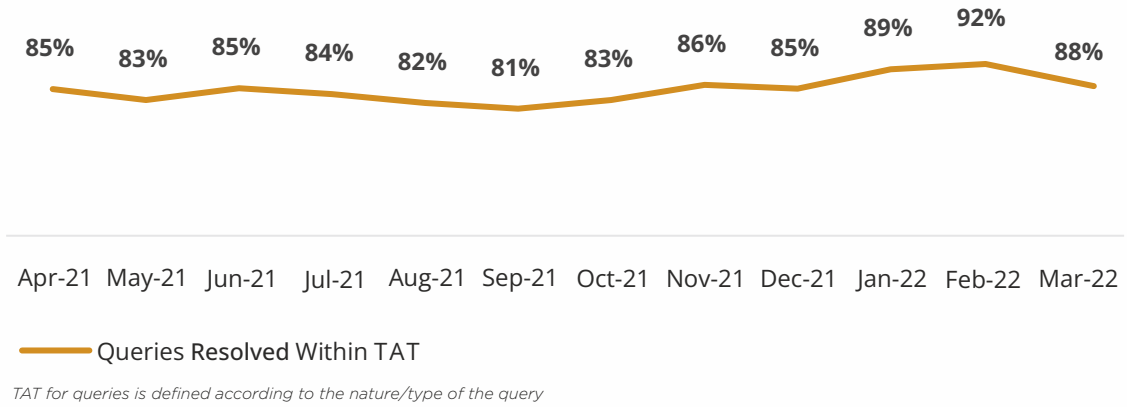
Customers registered on app	Google rating of Homefirst Customer App	NPS
80%	4.2 ★★★★★	79
As of 31 Mar'22	As of 17 Apr'22	For FY22

Our superior customer service is reflected in the below statistics:

- Overall queries (in Mar'22) as a % of live base is 6% of live loans.
- Overall complaints (in Mar'22) as a % of live base is 0.04%.
- 85% of Queries are resolved within 48 Hrs (FY22).
- 83% of complaints were resolved within 7 working days (FY22).

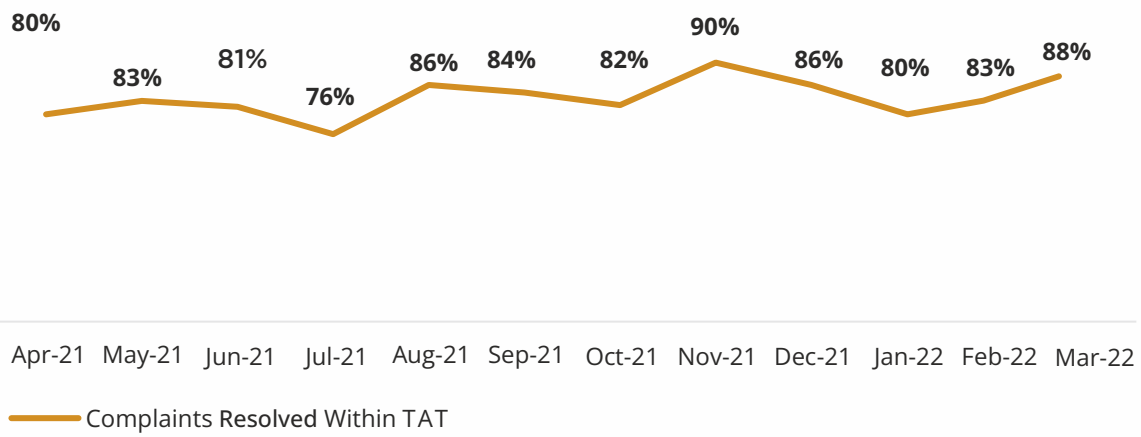
Social and Relationship Capital

Queries Resolved Within TAT (%)



TAT for queries is defined according to the nature/type of the query

Complaints Resolved Within TAT (%)



TAT defined as within 7 working days for complaints

Intellectual Capital

Tech in Mind, Service at Heart is our motto at HomeFirst. We are a tech-driven affordable housing finance company. To provide the best quality of service for our customers in a swift and transparent manner, we are continuously of innovating and digitizing processes. As a result, our systems are designed to facilitate a sanction within an average turn-around-time of 48 hours.

In addition, our digital service delivery mechanisms and operating model brings uniformity in our operations, increases customer satisfaction and positions us well to expand our business in geographies that offer growth opportunities. We have an end-to-end digital process for loan appraisal and disbursement.



Digitally Agreement Signing
(16% in 12M)



E-Stamping
(41% of total in 12M)



NACH Mandates
(38% in 12M)

Credit Approval and Disbursement

We have set up a robust credit approval process comprising the following stages:

Initial Screening and Pre-Sanction Check

Customer leads are logged into our system which are pursued and reviewed completely by our in-house team of well-educated and trained relationship managers. Each lead is checked against KYC, credit bureau and other third-party databases to establish customer credentials. We have an efficient paperless process to onboard and verify customers as well as determine their eligibility. Our relationship managers conduct workplace and residence verifications and submit the loan application on the central platform – this is then cross-checked by our underwriting and operations team for a number of factors including completeness of application form, KYC, eligibility, fraud check, credit bureau, income assessment, loan-to-value, value of collateral, bank statements, debt burden and third-party databases for income and asset ownership.

Customer Credit Underwriting

Our centralized underwriting team is assisted by data-science backed customer-scoring model to evaluate a customer's ability to repay the loan and maintain consistency in underwriting procedures across branches and regions. Further integrated customer relationship management and loan management system allows our underwriters to conduct the credit appraisal process in a quick and efficient manner. We have also integrated our systems with third-party databases to obtain additional customer data points. This helps us gather data to assess credit worthiness of the customers and conduct a fraud check in case of any discrepancies. Further, we utilize proprietary machine learning credit scoring models to assist us with our credit assessment process.

Property Underwriting and Disbursement Process

We assess the value of the collateral at the time of sanctioning the loan and conduct additional checks before disbursing the loan and giving final approval of the property. Our teams initiate a legal and technical assessment through third party vendors to verify the authenticity of the technical documents, legal title to the collateral property and its market value. We have set up a legal and technical portal to simplify the process of evaluation of the property. Our proprietary machine learning backed property price predictor coupled with geo-tagging of properties further assists in reducing our turnaround times for approving loans and improving accuracy in determining loan to value ratio.

Intellectual Capital

Loan Collection and Monitoring

We have set up a robust and tiered, collections management system with prescribed collection action at each stage of severity of default. All our borrowers register for an automated debit facility, which reduces our cash management risk, and we track the status of installments collected on a real time basis through a collections module. We employ a structured collection process wherein we remind our customers of their payment schedules through text messages and automated calls to maintain adequate balance in their account on the due date. We also use our proprietary machine learning model to predict probability of bounce, which helps us in obtaining early signals of potential bounce and initiate action such as pre-emptive reminder calls made by branch teams. Our collection process is completely managed by our branch teams and a significant portion of our employee incentives are dependent on collections.

Tech in sourcing:

We use digital media and have strategic alliances with organisations such as Airtel payments bank, Paytm, Paisa Bazaar, IndiaPost Payments Bank, etc. to source digital leads. We run digital marketing campaigns on major social media platforms. We also run short videos to educate the customer on various facets of home buying. Our customers can reach us through social media, Whatsapp, emails, etc.

Tech in loan processing:

We have developed a paperless process to onboard customers efficiently and our well-trained front-end teams appraise customers by conducting home and workplace visits and ensure minimal disruption to a customer's daily routine. The data collected by our front-end teams is uploaded on the cloud-based platform. As a result of which real time data can be accessed from any location. This also enables us to do consistent and centralized underwriting and facilitates quick turnaround times. We also have an integrated customer relationship management and loan management system set up on a leading cloud-based customer relationship platform providing us with a holistic view of all our customers.

Tech in underwriting:

We capture over 100 data points of a customer besides credit bureau data such as scanned collateral documents, videos, photographs, etc. This data is captured and stored on the cloud. Further, our tie-ups with third-party service providers provide us with data such as fraud related data, banking, vehicle ownership of customers and taxation related data. This further strengthens our underwriting process and helps identify areas of concern to take quick and accurate decisions. Our proprietary machine learning customer scoring models also assists in our underwriting process. Further, all our financed properties are geo-tagged and we use a machine-learning backed property price predictor. This helps us achieve higher accuracy in determining the loan-to-value ratio. The seamless integration and availability of data across platforms and users enables us to process loans in a paperless manner and with quick turnaround times.

We use a data lake, to store the data from all our different applications. This expedites data consolidation, visualization, machine learning model development, and model implementation. The data lake also facilitates detailed analytics leading to better operational decisions.

Tech in collections:

95% of our collections are non-cash. During the year we have introduced more channels to make electronic payments. All our borrowers register for an automated debit facility, and we track the status of instalments collected on a real time basis through a collection module in our system. We remind our customers of their payments and schedules by way of automated calls and text messages. Further, we use AI and ML to predict the probability of default. This provides us early warning signals and we can take appropriate action to mitigate the risks.

Mobility solutions:

We offer mobility solutions to our stakeholders – internal as well as external. We have HomeFirst Customer Portal app for our customers which has features such as accessing loan statements, prepayment of loans without any prepayment charges and service requests. We also have an application 'HomeFirst Connect' for our channel partners and 'HomeFirst RM Pro' for our relationship managers.

Intellectual Capital

New Digital Initiatives:

Subsequent to the onset of the COVID-19 pandemic in India, we launched new processes following an even more digital approach, as follows:

a. E-Verifications: Branches started conducting office and home digital verifications through video calls for certain categories of customers, with records of such calls uploaded in our internal systems.

b. E-Sign: We have launched systems for Aadhar based E-signature of loan documents,. We believe that over time this will result in savings on printing, storage and transaction costs.

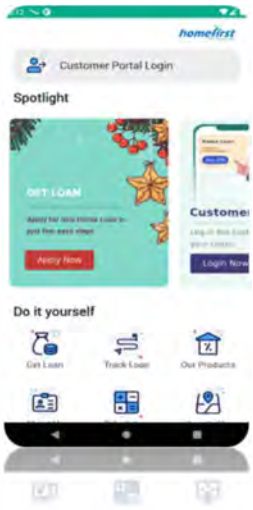
c. E-KYC: We have set up systems for E-KYC of customers, including KYC verification, geo tagging of the customer and facial matches.

d. E-Vault: E-signed loan sets will be stored in E-vault.

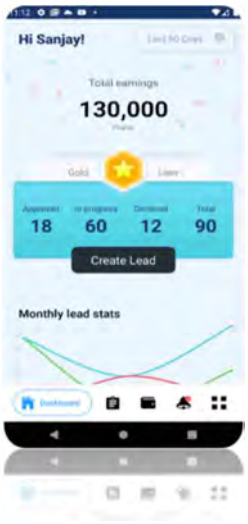
e. Biometric authentication on Customer App

f. Instant Soft-Approval of Loans on App – A potential customer can self-onboard on our website or mobile application in 4 easy steps.

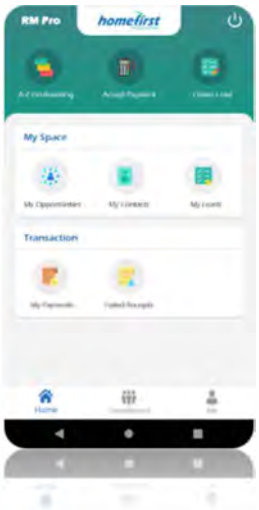
Customer App



Connector App



RM Pro App



Google Ratings

4.2
★★★★½
Homefirst Customer App
As of 17 Apr'22

4.6
★★★★½
Homefirst Connect App
As of 17 Apr'22

4.7
★★★★½
Homefirst RM Pro App
As of 17 Apr'22

Tech in Risk Management

Risk management is integral to our operations – be it financial or non-financial risks. We have a risk management framework in place to identify, manage and mitigate the risks faced across various business operations. Our risk management initiatives include obtaining a better understanding of the geographies we are based in, optimising tech usage in underwriting the loans and deploying initiatives for an efficient and effective collections system. Our customer relationship management and loan origination system is integrated with our loan management system, which is set up on a leading cloud-based platform. Tie-ups with third-party aggregators assist in taking more efficient underwriting decisions. This helps mitigate credit risks. The bounce predictor enables us to take early steps to predict potential defaults. We also have an IT Policy in place which sets out processes and controls to mitigate the IT risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure. We have a well-established IT infrastructure that ensures performance stability and flexibility as well as IT security. The loan processing applications of the company are built on a globally recognized platform with low downtime and low security risk.

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Statutory

Report



Sustainable Building Materials

Sustainable building materials are made of recycled ingredients. AAC blocks have fly ash, a by-product from the thermal power plants as their primary ingredient, instead of soil that is used by red bricks. M sand instead of river sand is a great choice and the usage of low-energy materials for flooring, furniture, partitions, false ceiling, etc is picking up pace in the home construction. Vitrified / Ceramic tiles do not require energy for polishing, plywood / engineered wood instead of teak wood is also considered to be eco-friendly.

Management **Discussion and Analysis**

We have prepared a comprehensive overview of the housing finance space sequenced as macroeconomic view, industrial and exports revival in India, rising middle class, digital leap frogging and housing demand drivers.

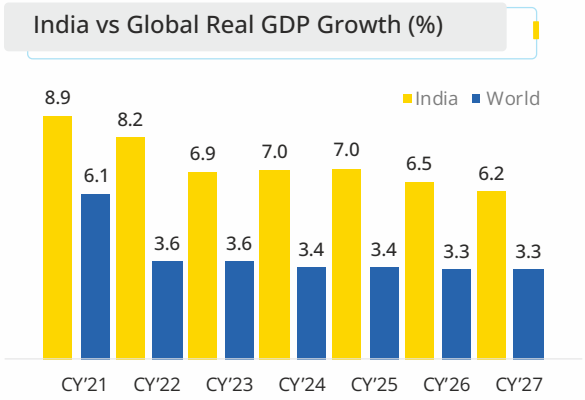
FY22 Macroeconomic Overview

Economy Back to Growth, Business As Usual

It is a big relief to see world economy getting back on growth. India started seeing economic revival in Q3FY21 and FY22 is certainly a turnaround year. Countries have adapted to Covid and consequently economies have opened up. This is due to higher inoculation of populations with vaccines. Environment is very positive.

According to IMF's World Economic Outlook (Apr'22), the world economy is projected to grow by 3.6% each in 2022 and 2023 from a growth of 6.1% in 2021 and normalize in the range of 3.3%-3.4% over the medium term. India is the third largest economy on PPP basis as per World Bank and is projected to fare better than peers with an impressive estimated growth of 8.2% in 2022 and 6.9% in 2023. As per various leading research institutions, Indian economy has the potential to deliver the highest GDP CAGR globally in the medium term amongst large economies, driven by various structural policy measures taken by the Indian government.

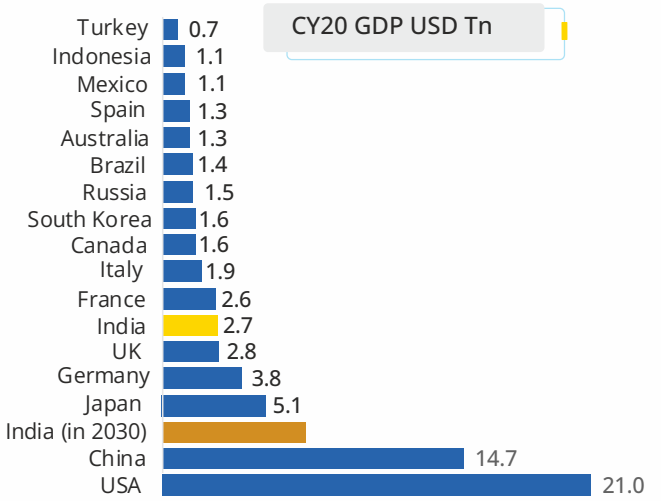
Exhibit: Indian Economy GDP growth & Global GDP growth

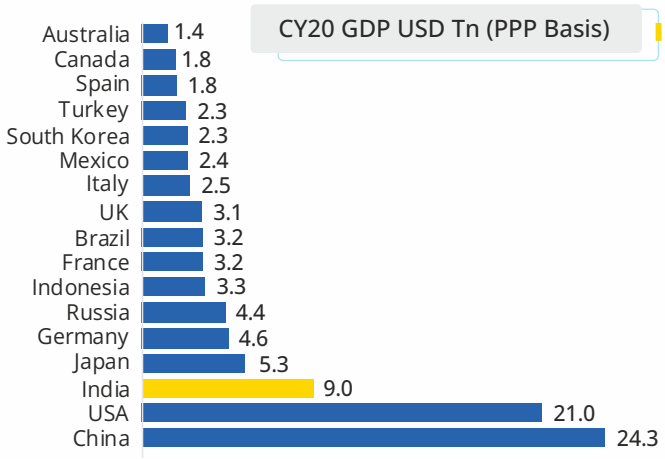


Source: IMF, World Economic Outlook, Apr'22

India is expected to be the third largest economy (non-PPP) in 2030 from its 6th position currently only after USA, China, Japan and Germany and United Kingdom. India is already 3rd highest economy on PPP basis after USA and China.

Exhibit: Indian & other major economies ranking (CY20).



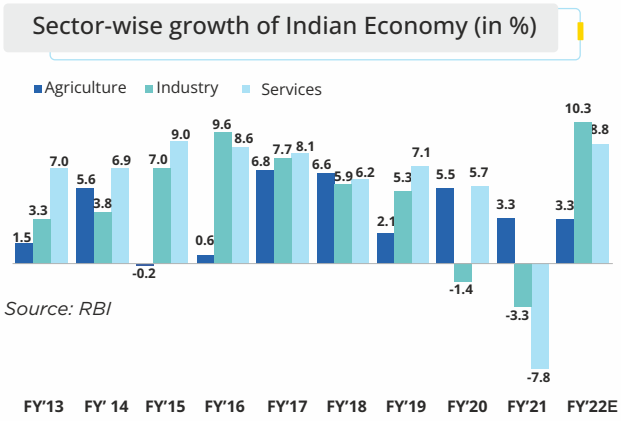


Source: World Bank

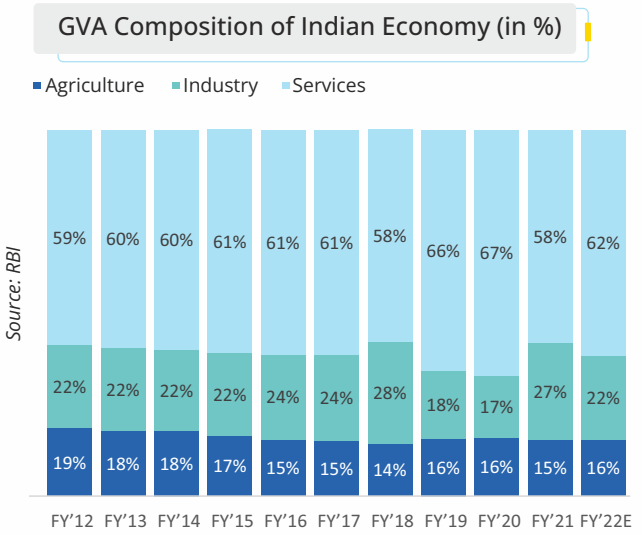
Indian economy's three major pillars are expected to witness growth in FY22; with Industry sector growing the highest at 10.3% vs decline of 3.3% in FY21. However, services sector growth has also been robust at 8.8% despite it higher share in GDP.

Management **Discussion and Analysis**

Exhibit: Indian Economy contribution by 3 major sectors.

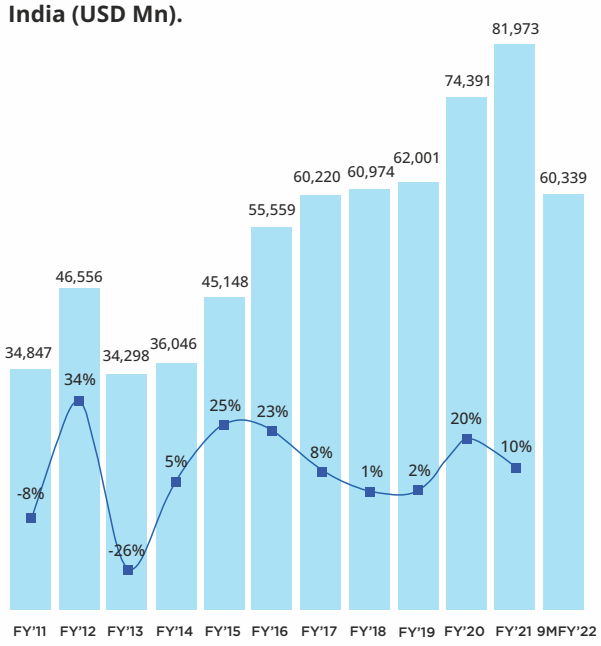


Source: RBI



India has always been a preferred economy within emerging markets when it comes to long-term investments by foreign investors. During FY21, India received USD 82bn of investments which is also the highest India has ever received. This is again due to long-term prospects of the economy, stable government and its structural policies for a reliable business operation, growing middle class population with higher share of working-age population.

Exhibit: Foreign Direct Investments received by India (USD Mn).

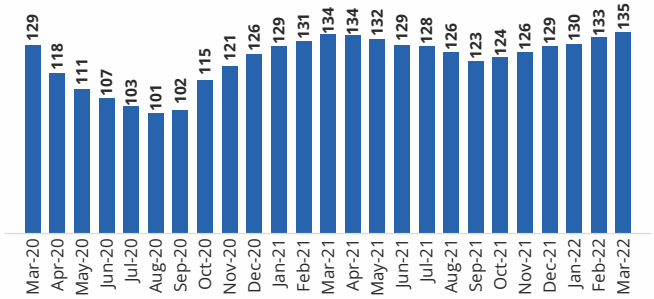


Source: Department for promotion of industry and internal trade. Note that FY22 is for 9 Months

Indian economy will benefit from structural positives like i.e. transition to higher urbanization, higher discretionary spending, government push on transparency through digitization (for eg: Faceless Tax Assessment, FASTag, digitalization of land records, etc) and government push for reforms in various sectors are expected to continue to drive GDP growth in medium to long term. India's medium-term growth is supported by demand-side stimulus provided by the current fiscal budget promoting an uptick in public investment with main focus on Infrastructure investments.

Post Covid Wave 2, GST collections have been strong with a monthly run-rate of 1.4 Tn. It reached an all-time high of 1.41 Tn in the month of Jan'22. It is expected that GST collections will remain robust on the back of strong recovery and government reforms like PLI, etc that have given a boost to the manufacturing sector. FY22 saw an average of 1.24 Tn monthly collection.

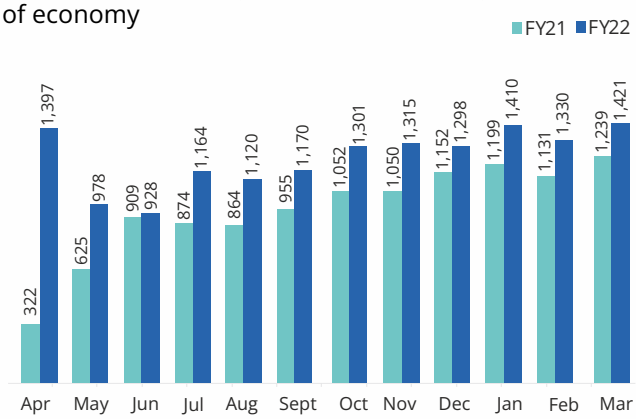
IIP Index (6m average)



Source: MOSPI

GST Collection (₹Bn)

GST Collection of Avg ₹1,236 Bn indicating revival of economy



Source: GST Council other sources

Industrial Capex expected to get a boost from Private capex & PLI Scheme's positive Impact

Industrial capex is expected to pick up, driven by conducive government support through policy measures such as the Production-Linked Incentive (PLI) scheme, reduced tax rates, accommodative monetary policies, lower interest rates, commodity upcycle which has benefitted metal and cement players by repairing their balance sheets, rising merchandise exports, supply chain diversification, healthy balance sheets and global liquidity. Government capex has a higher multiplier effect of 3.25x on economic output. It also has a 'crowd in' effect on private investment, inducing a disproportionate increase in investments in the economy.

Since its introduction in March 2020, PLI has been announced for 15 sectors, involving government incentives to the tune ₹1.93 Tn. Of this, 50-60% is to be spent on sectors with domestic manufacturing and export focus, and the rest on import localisation. As per research reports, of the ₹2.5-3 Tn potential spend under the scheme, 60% is already approved by the government and major spending set to occur over fiscals 2023-2026. PLI schemes will account for up to 13-15% capex in key sectors and incremental revenue of ₹30-35 Tn over the scheme period. The approved capex for PLI schemes is in 10 sectors. While capex in mobile, pharma and telecom has already kicked off, that in capital-intensive sectors such as automobile and solar photovoltaics, which form 70% of the committed investment, will kick off from April 2022. The key changes brought upon by the PLI scheme are in terms of bringing integration across supply chains, reducing import dependencies, and propelling exports.

PLI scheme is particularly attractive for mobile phones, electronic components, telecom equipment, and IT hardware, which have high dependence on imports across value chains and relatively lower domestic base. The rate of incentives offered under the PLI scheme are measured as a percentage of incremental sales over the 5-7-year scheme period and vary from 4-6% for mobiles and white goods and 5-20% for active pharma ingredients to 8-18% for autos and auto-components.

The scheme has received interest from over 900 players across sectors, of which ~350 have got approval so far. Of the approvals, 20% have been received by global multinationals and the rest by domestic players. Also, 50% of the bidders are large in terms of revenue, while the rest are medium and small players.

As per recent comment from Chief Economic Advisor of India, bank credit is beginning to pick up especially in MSME sector and by 2HFY23, capital expenditure in the private sector will pick-up. RBI survey has shown a jump in capacity utilisation by the industry to 72.4% and the top four firms in several sectors are already operating at over 80%. This also highlights the pick-up in economic activity in India.

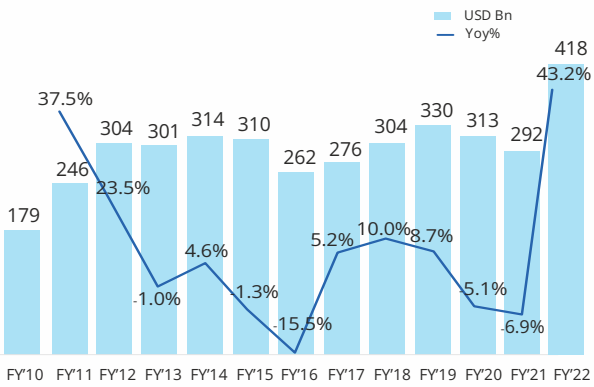
High Share of Indian Exports in our Focused States

In FY22, India has delivered its highest ever merchandise export figure of USD 418 bn and overall exports (merchandise + services) also reached an all-time high of USD 670bn. Services sector touched USD 250 bn for the first time (all-time high) despite Covid disruption in sectors like tourism, aviation and hospitality. In FY22, India has seen a significant jump in the growth of non-oil, non-gems & jewellery exports at about 34%. This has raised the confidence of entrepreneurs regarding India's global competitiveness. As per CII, India is poised to target $1 Tn of merchandise exports and a similar level for services exports by 2030. Electronics, Machinery, vehicles, pharmaceuticals and plastic products are top five categories that have the potential to contribute the most to the $1 Tn target. India has demonstrated effectively that it is fully capable of meeting global demand, adhering to international quality standards and ramping up capacity with flexibility within a short time period.

While global trade growth may revert to its usual trend line next year, India can strategize to acquire a greater share of global exports by building manufacturing capacity for its existing product base as well as looking at emerging products. The recent production linked schemes in some of these sectors would go a long way in raising manufacturing investments and production.

Aside from the supply-chain integration benefits of PLI, it will also aid exports. Of the 15 sectors, nine show an export potential of ₹11 Tn, ranging from 20-80% of the incremental revenue generated.

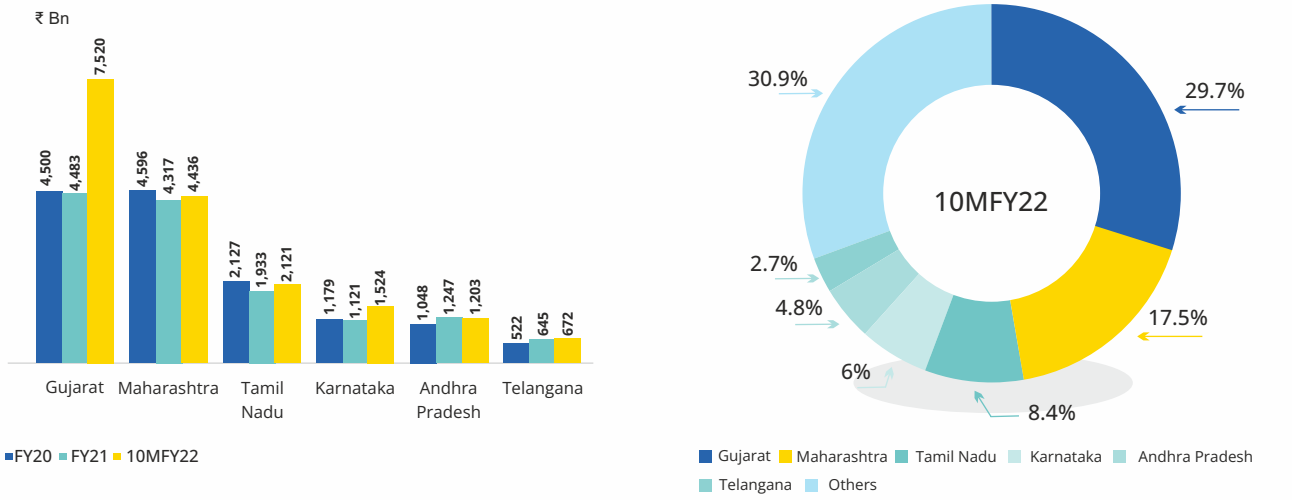
India Merchandise Exports (USD Bn)



Source: Ministry of Commerce & Industry https://commerce. gov.in/ trade-statistics/

HomeFirst focused states amongst top States in Exports: Our 6 States of focused presence are the leading states in terms of exports. Gujarat is the highest exporter and also our largest state in terms of presence. On the basis of FY22 (10 months data), we have presence in 8 out of top 10 exporting states in India. Also, we have strong presence in top 4 export states in India i.e. Gujarat, Maharashtra, Tamil Nadu and Karnataka.

Exports of 6 Specific States

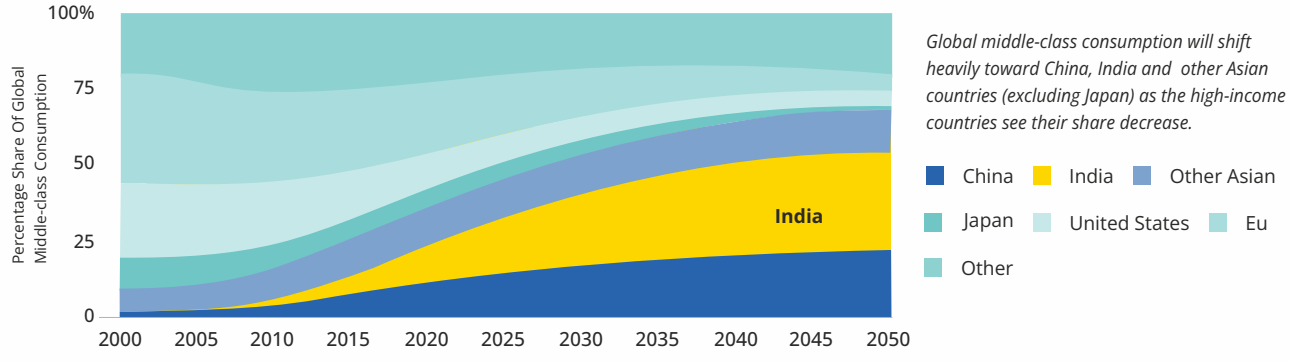


Rising Middle Class – Secular Opportunity for Housing Finance

Most examples of rapid & sustained economic growth coincide with the development and expansion of the middle class. Once the size of the middle class passes a threshold size, a virtuous cycle is initiated. A bigger middle class spends more, saves and invests more, leading to higher business activity and profits. The evolution of middle class is also correlated with rapid urbanization. Empirical evidence, based on India's household surveys, changing demographics and favourable trends in urbanisation, show that a massive shift towards a middle-class society is already in the making in India. As per a recent CII report "Harnessing India's Demographic Dividend for Boosting Growth", a whopping 24.3% of the incremental global workforce over the next decade will come from India and this golden period between 2020-50 is when the country's working age population will bulge and will be an important enabler for economic growth. Income growth will transform India to a truly middle-income country, with consumer spending growing from $1.5 Tn to nearly $6 Tn by 2030.

Exhibit: India will have more middle class people than any other country. India's middle-class growth is predicted to accelerate. From 2027 India's population is set to overtake China's and the middle class will overtake that of the United States, Europe and China.

The Global Middle-class Wave

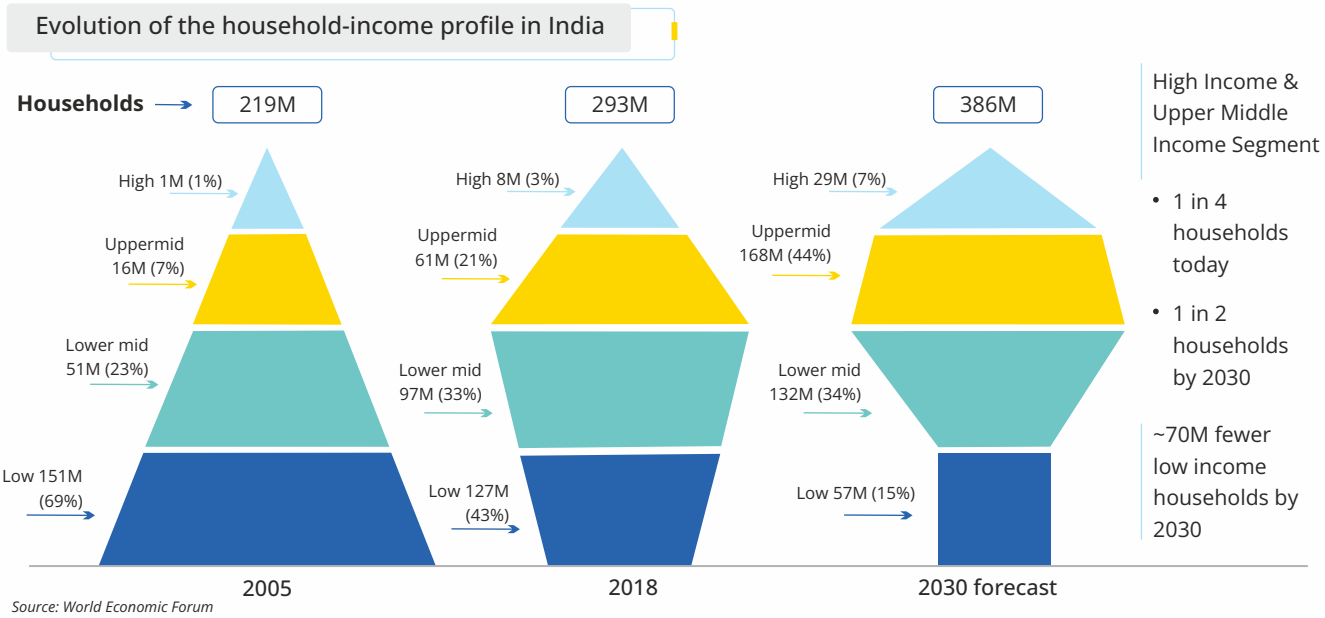


Source: World Economic Forum

India is currently the third-largest middle-class market, after China and the United States, and is expected to be the largest in another decade. India would soon have a middle class that is as large as that of the US population. Compared to China, India's middle class is more dynamic since it is expected to have a growth rate of 8.5% until 2030. According to World Bank, by 2030, over 70% of China's population could be middle class, but **India could be the world's largest middle class consumer market, surpassing both China and the U.S. with its sheer size.**

In aggregate, China and India will represent roughly two-thirds of the global middle-class population and 59% of middle-class consumption that is expected to total $64 Tn by 2030. Middle-class spending in 2015 was roughly $35 Tn, and was concentrated in the U.S. and Europe. As per experts, by 2030, the middle-class in India and China together will be spending more than the combined middle-class spending in Europe and the US in 2015.

Exhibit: With increasing share of middle-class households, the pyramid structure today will turn in to a diamond in 2030.



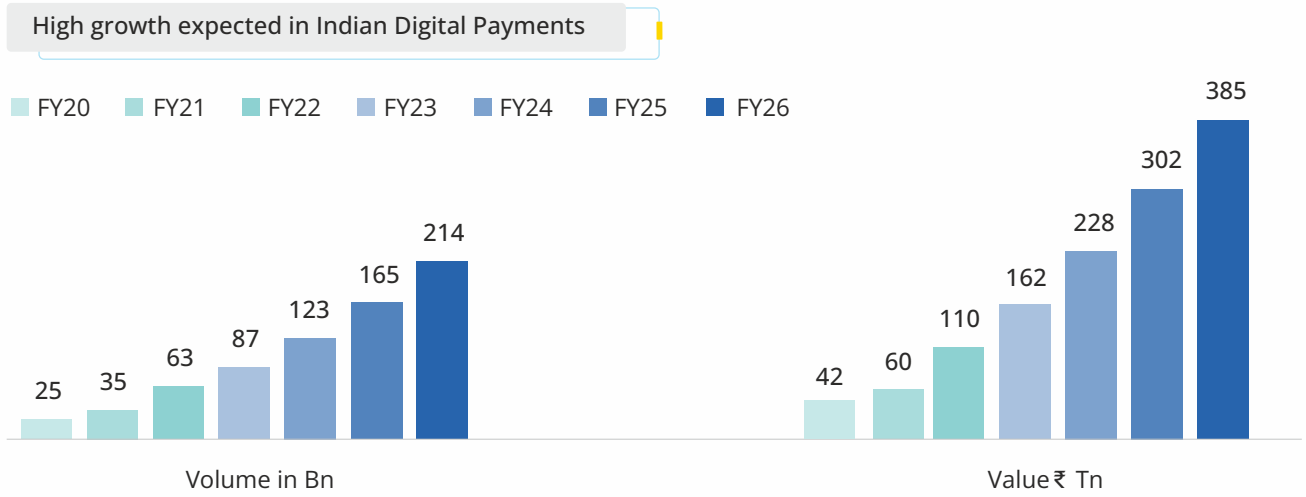
Source: World Economic Forum

Household income per annum classification as per report: Low < $4k (< ₹ 2.5 lakhs), Lower-middle- $4k – 8.5k (₹ 2.5 – 5.5 lakhs), Upper-middle- $8.5k – 40k (₹ 5.5 – 27.5 lakhs), High: >$40k (> ₹ 27.5 lakhs). Poverty line at <$2 (< ₹ 125) per day per person

Digitisation Momentum Continues to Benefit Economy

We believe that companies with better technology capabilities backed by talented workforce and strong leadership will witness superior performance in the new world. There is an increased willingness of customers to avail financial services through digital channels. This has also helped in penetrating new regions. We have been proponents of technology usage almost since the inception of the company as we believe this will drive speed and scalability for the company. Banks and non-banking financial companies are now more focused on providing integrated solutions. Digital payments have evolved from being viewed as a cost centre for banks to a revenue centre and a key lever for customer acquisition. As per various research reports, India is poised to have 1 bn smartphone users by 2025, propelled by 5G implementation. This will support operations of tech focused companies like HomeFirst. Focus on technology has been a matter of habit for us.

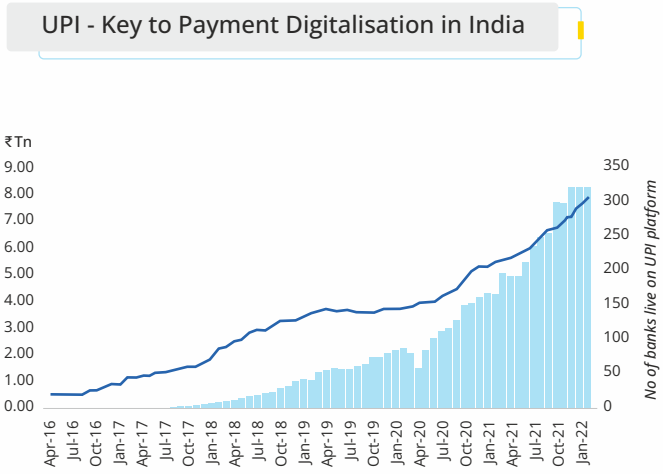
Exhibit: Digital Payments are expected to grow to ₹ 385 Tn in FY26 from 42 Tn in FY20, delivering 45% CAGR over the period.

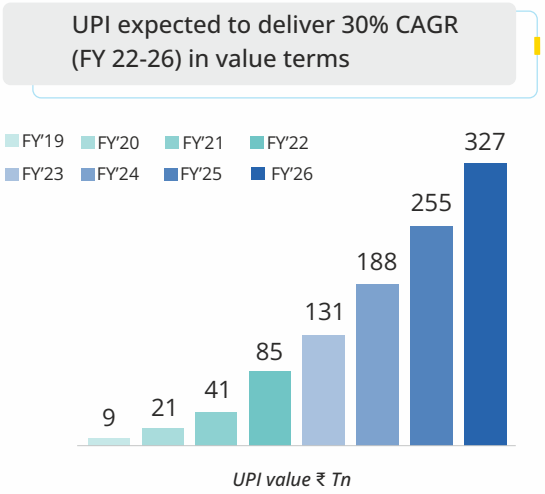


Source: PWC Report Mar'22

UPI payment method has transformed Digital Payments in India. Within the past half decade, UPI adoption has increased multi-fold. In the month of Feb'22 & Mar'22, UPI transactions crossed ₹ 8 Tn each (USD 105 Bn), which solidifies the quick adoption of digital channels by India population. The quantum of digital transactions in India is highest globally and even crossed China. As per PWC, UPI based transactions are expected to show 30% value growth between FY22 and FY26 and touch ₹ 327 Tn from ₹ 85 Tn respectively.

Exhibit: Strong growth on UPI Payment Method

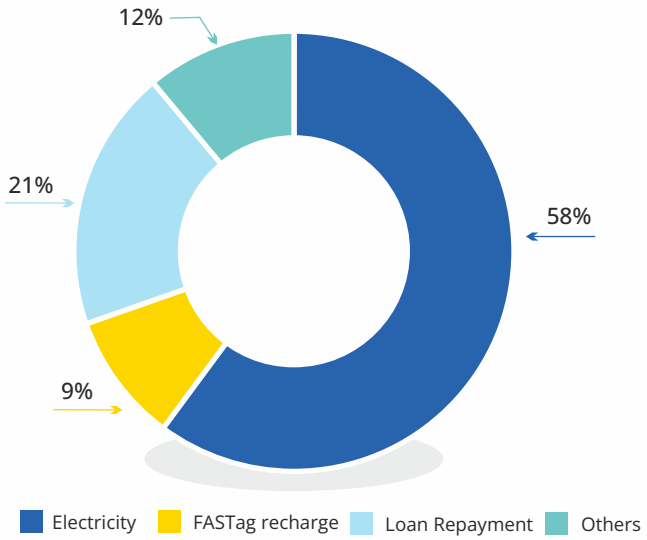


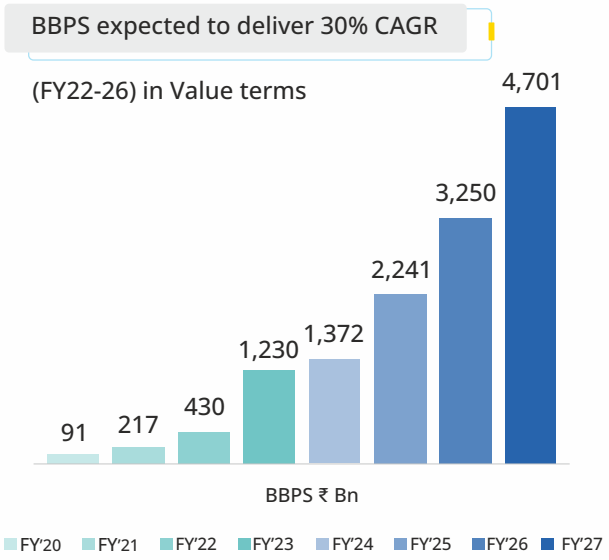


Source: NPCI's Retail Payments Statistics on NPCI Platforms https://www.npci.org.in/statistics and PWC Report Mar'22

Bharat Bill Pay System (BBPS) is also widely used mode of payments in India. Electricity bill payment contributes 57% of the total, whereas loan repayments contributes 21% of the total. The role of Fintech's focused on digital payment has been very important in achieving the growth seen in BBPS mode. BBPS has grown from ₹ 91 Bn to around ₹ 430 Bn just between two years FY20 and FY22 and is further expected to deliver 30% growth by FY26 touching ₹ 4,701 Bn in value terms. This is almost 4x from today's level. These disruptions in digital payment have immensely benefited HomeFirst and with further digitalisation, the efficiency and timely execution will be the key moat in businesses going forward in a hyper-competitive world.

Exhibit: BBPS also helping loan collection mechanism with 21% share of loan repayments in FY22E as per PWC report

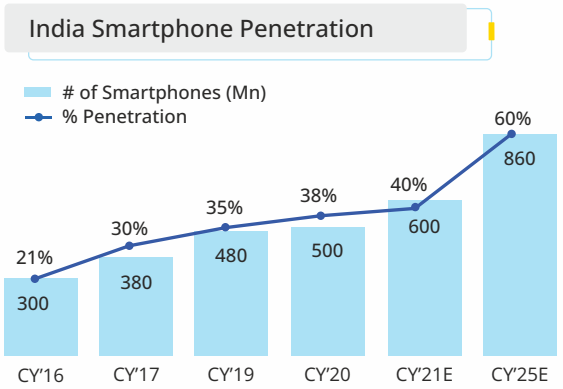




Source: PWC Report Mar'22

The hyper-growth in digital payments in the past and expectation from future would not have been possible without increasing smartphone penetration and low data cost in India. As per research report, by the year CY'25, India will see about 60% penetration of smartphone or about 860 mn smartphones being actively used. Also, with 5G telecom auction in the near future, smartphone adoption will be faster and inevitable with affordable phones.

Exhibit: India's Smartphone Penetration Trend and Forecast



Source: Research Reports

Indian Housing Demand Scenario & Housing Finance Opportunity

India's real estate sector, which is a $200 Bn market currently, has come out of the disruptions caused by the Covid and is on the path to become a $1 Tn industry by 2030. With growing urbanisation, nuclearization, increasing working population coupled with increasing per capita income, demand for housing will see a rise. As per a report by Knight Frank, there will be a housing gap for about 97 mn households by 2030, up from 70mn households in 2019. These numbers are very close to that in the RBI document published in 2019.

Housing Gap @ 2019 (in Mn) No of Households

Type	EWS	LIG	Total
Rural India	45	15	60
Urban India	8	2	10
Total	53	17	70

New Households in 2019-30 period (in Mn)

Type	EWS	LIG	Total
Rural India	1	0	1
Urban India	22	4	26
Total	23	4	27

Total Household gap in India (2019-30) (in Mn)

Type	EWS	LIG	Total
Rural India	46	15	61
Urban India	30	6	36
Total	76	21	97

Average Size of Home Loan(in ₹ Mn)

Type	EWS	LIG
Rural India	0.08	0.15
Urban India	0.12	0.25

Size of Housing Finance Market (2019-30) (in ₹ Tn)

Type	EWS	LIG	Total
Rural India	3.7	2.2	5.9
Urban India	3.6	1.6	5.2
Total (₹ Tn)	7.3	3.7	11.1
Total (USD Bn)	96.46	49.26	145.73

Source: Knight Frank's report titled "State of the Affordable Housing Sector in India".

As per the above table, the total opportunity in affordable housing segment is around USD 146bn or ₹11Tn between 2019-30. This implies immense potential for the housing finance market.

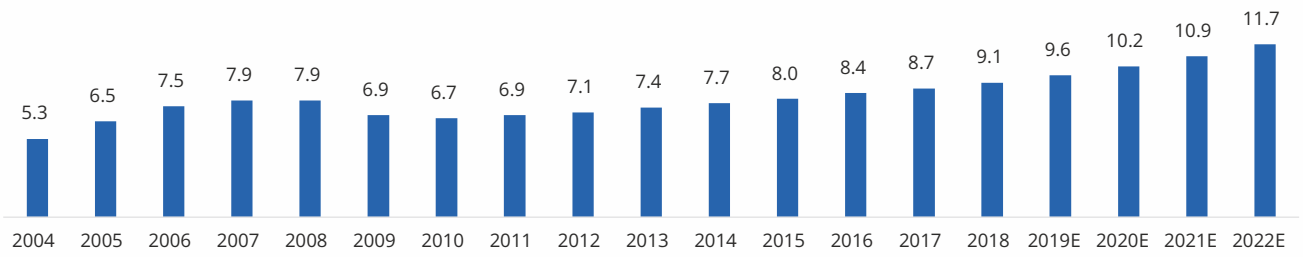
The Indian housing finance market grew at ~16% CAGR over FY15-21 owing to rise in disposable income, healthy demand, government impetus on housing and more market players catering to different segments. It is estimated to grow in the range of 8-10% CAGR. HFCs accounted for 41% share of the total home loan outstanding amount as of Sep'21. The growth of HFCs is faster on account of deeper reach, focused approach, and expertise in this segment.

As per credit bureau, the overall affordable housing outstanding credit growth grew at a CAGR of ~10% during FY15-21. The major growth drivers being increase in penetration of financiers in rural and semi-urban areas, favourable demographics, government push to promote "Housing for All", and improved affordability of borrowers. The affordable housing market outstanding is ~ ₹9.2 Tn as on FY21 and as per various research, it is projected to grow by at least 9-10% CAGR in the medium term to touch ~ ₹22 Tn by FY30. In volume terms, affordable housing loans comprises majority of overall housing loan volumes.

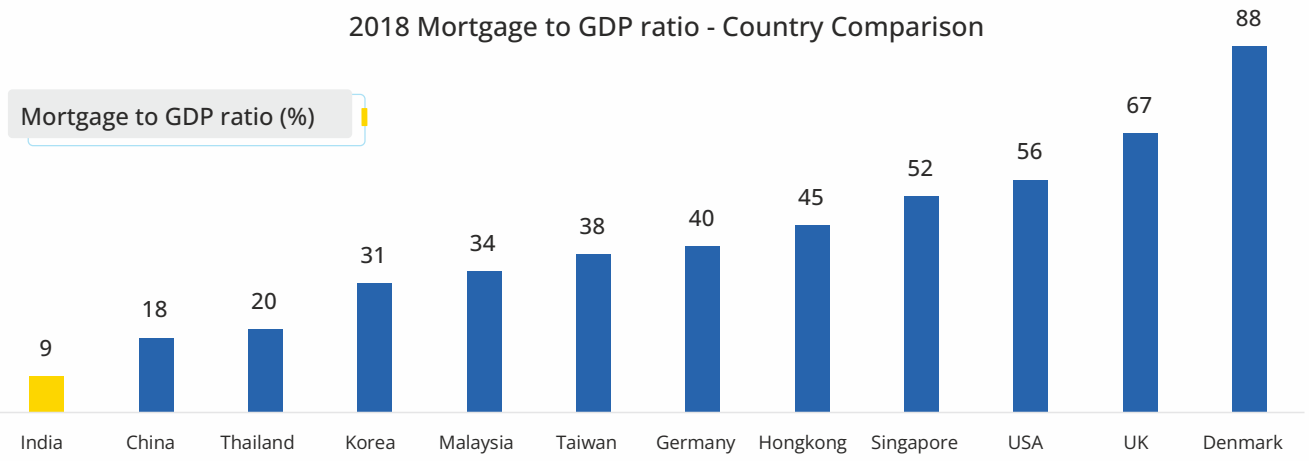
Mortgage to GDP Ratio is rising every year though India is still behind many countries in mortgage penetration ratio.

Mortgage to GDP Ratio - India

Mortgage to GDP ratio (%), 2004 - 2022E



Source: CSO, RBI



Source: European Mortgage Federation, Hofinet, RBI

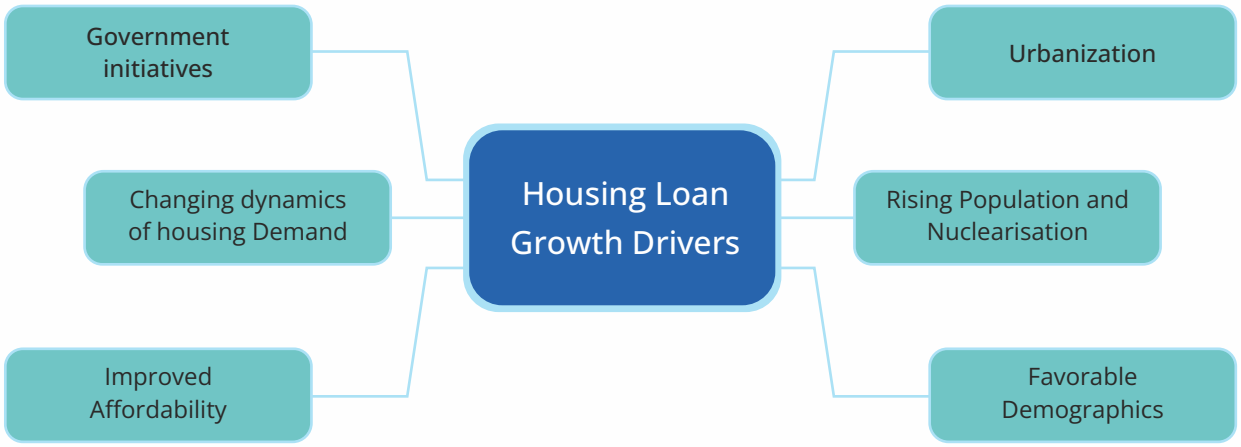
Strong Momentum in Housing Sale Deed Registration in FY22

Indian Housing Sector has seen a strong inventory absorption in the past 18 months supported by pent-up demand, improved affordability, all-time low home loan interest rates, and certain state incentives etc. For Example, Maharashtra, within the first 11 months of FY22 has earned ₹5,671 Crs from property registrations; 63% per cent higher than ₹3,474 Crs in FY21.

The heightened activity in property registrations is expected to surpass all-time high revenue of ₹ 5,878 Crs of FY18.

The major growth drivers supporting higher mortgage penetration are:

Apart from the positives highlighted on domestic economy, there are some specific drivers of housing sector growth positively impacting financing business.

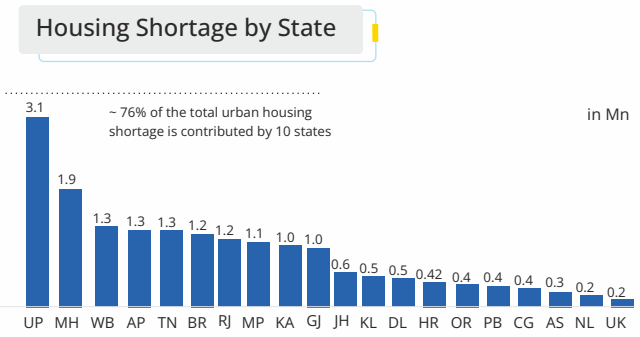


1. **Increasing Population:** The pace of rising population will propel India to the most populated country by 2050. India is currently the second most populated country in the world after China. India's population currently stands at 138 Crs which is expected to rise to 155 Crs by 2035 and 164 Crs by 2050. This is one of the key driver to rising housing demand potential in the country.

2. **Covid led to change in house ownership dynamics:** As per various surveys, reverse migration has further supported an increase in housing demand in tier II/III cities. This is validated by the strong recovery seen in Real Estate sector in FY22. Also, as per experts, the demand dynamics of the Indian real estate have undergone a change during pandemic. Buyers are demanding homes which offer more liveable space. The residential property now doubles up as an office corner, virtual workouts as well as a place for online schooling.

3. **Initiatives to boost housing ownership by government:** Initiatives such as Income tax deductions along with various regulatory measures to boost liquidity and demand for housing have been instrumental in boosting the housing demand in the past. We expect that these will continue going forward as well given that housing ownership in India is low as compared to other countries.

Exhibit: 76% of the total urban housing shortage is contributed by 10 states. We have presence in 8 of them.

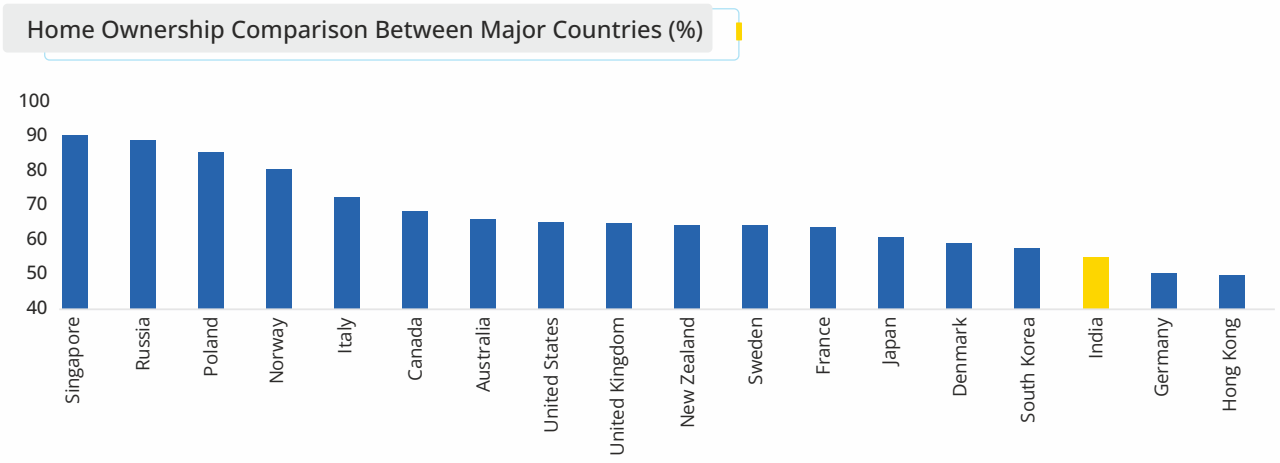


Source: Report of the Technical Urban Group on Urban Housing Shortage (TG-12)

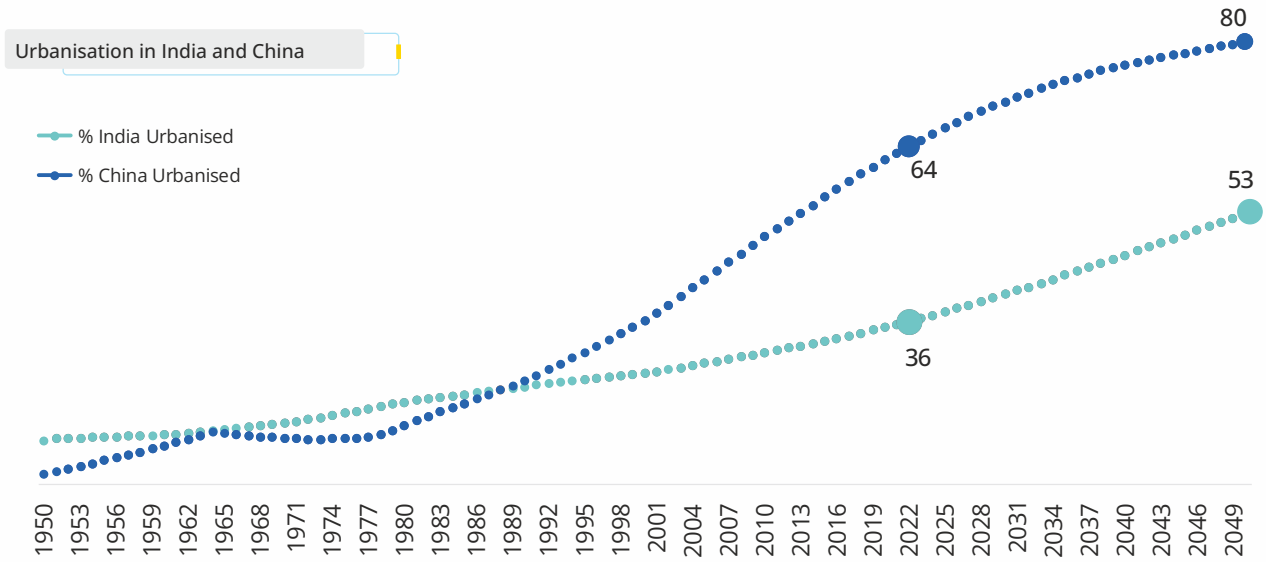
4. **Urbanization:** According to Census 2011, Urbanisation in India rose from 28% in 2001 to around 31% by 2011. Currently it is around 36% as per World Bank. Urban population is expected to cross Rural population in the year 2045 and to reach 53% by 2050 as per United Nations report on World Urbanization Prospects 2018 Revision. Higher urbanisation is expected to boost demand for housing in urban areas. It is estimated that around 70-75% of India's GDP will be contributed by Urban centres by 2030.

(Source: https://population.un.org/wup/Country-Profiles/)

Exhibit: Home Ownership in major countries

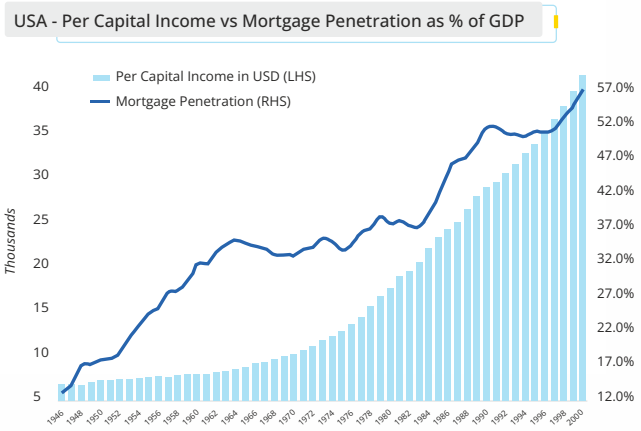


Source: https://tradingeconomics.com/country-list/home-ownership-rate and Knight Frank



Source: United Nations

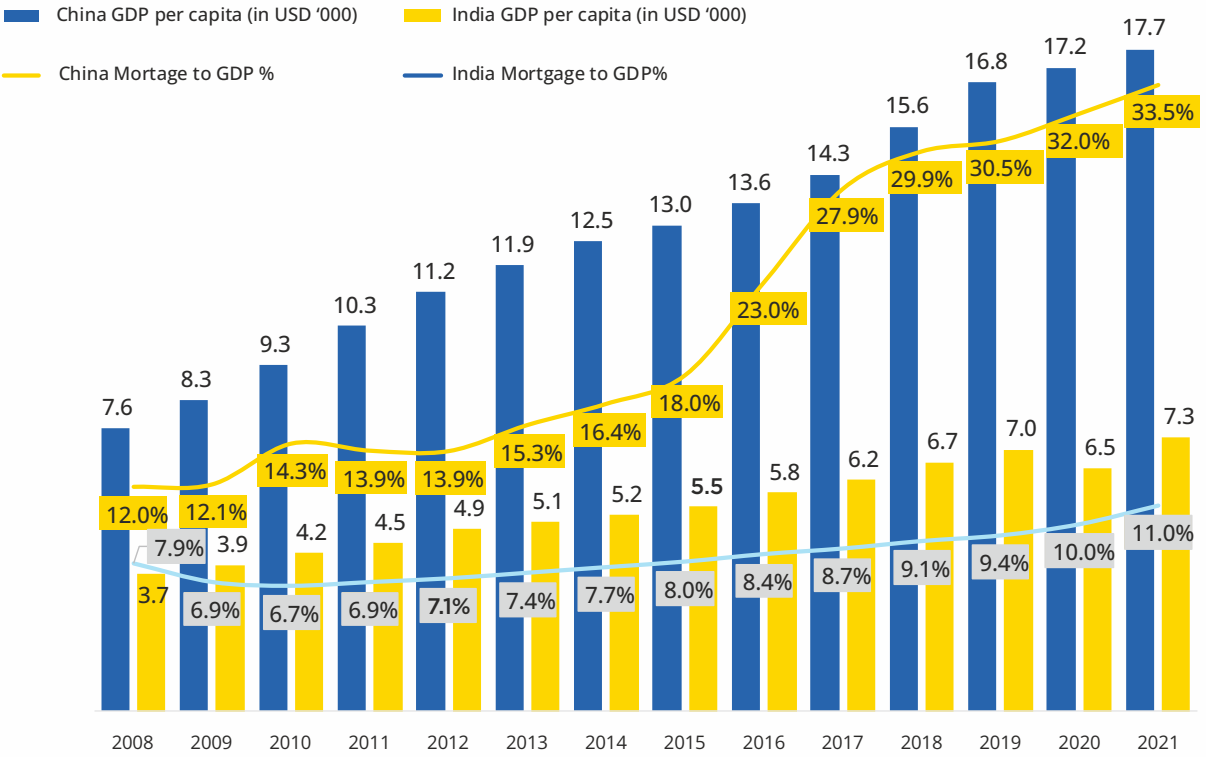
5. **Strong relation between rising Per-capita income & mortgage penetration:** As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 7.8% CAGR from FY20 to FY25 rising from USD 1877 in 2020 to USD 2729 by FY25. The per capita income is expected to grow along with improvement in GDP growth. As per ADB, higher per capita income leads to higher discretionary income which will lead to higher spending including buying of larger housing space. This can be corroborated with the trend of mortgage to GDP seen in the USA from 1946 to 2000. In 1946, per capital income in the USA was at similar levels as where India is at now (~$2000 non-PPP adjusted). As incomes rose from $2000 to $5000 (between 1946 to 1973), mortgage penetration has increased from 12% to 30%. If adjusted for PPP, India is at similar levels to where USA was in 1973. Incomes in the USA have increased from $6000 to $35,000 over 1973 to 2000 and mortgage to GDP has moved from 35% to 52% in the same period.



Source: World Bank & US Federal Bank

China shows a similar co-relation. The mortgage to GDP ratio of China has grown from 12% in 2008 to 34% in 2021. The per capita income of the country has increased from USD 7,600 to USD 17,700 during the same period. India has started a similar journey with mortgage penetration in the country increasing from 7.9% in 2008 to 11.0% in 2021 that is correlated to the increase in per capita income of the country from USD 3,700 in 2008 (PPP) to USD 7,300 in 2021 and set to enter a period of sharp growth.

India vs China: Mortage to GDP & Per Capita Income Trend (In USD PPP Adjusted)



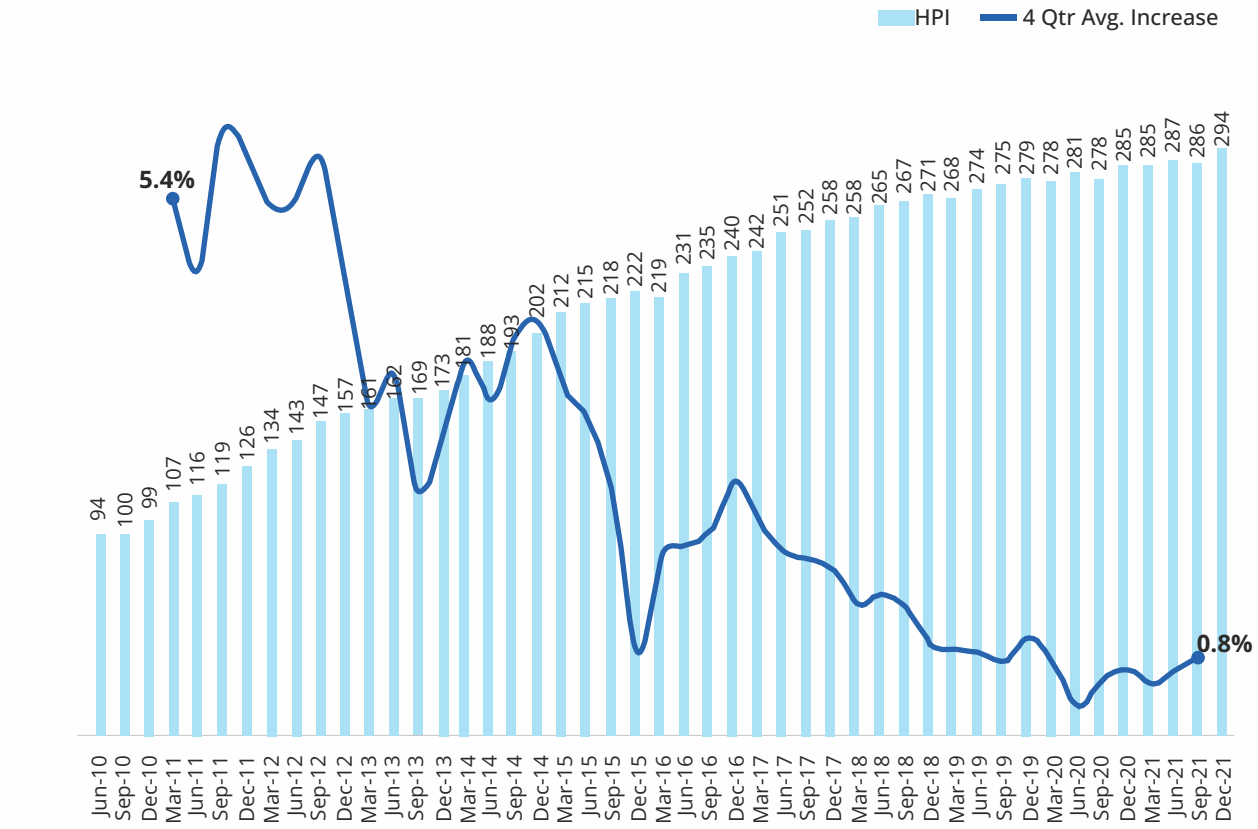
Source: World Bank and Other Sources

6. **Nuclear Families Led Consumption:** Reducing average household size driven by changing lifestyle of people, changing social culture, and increased mobility of labour is expected to continue in future. The average household size has reduced from 5.5 persons in 1991 to 4.8 persons in 2011 as per Census 2011. Nuclearization is also expected to drive housing demand.

7. **Working Population led Economic growth:** As per Economic Survey FY19, working age population will grow by 9.7 million per year during FY21-31 and 4.2 million per year during FY31-41. Favourable demographics coupled with declining age of home loan borrowers, growth in salaries/ incomes and increasing preference to accumulate assets is also expected to boost mortgage penetration in India.

8. Stable Housing Prices driving affordability:
As per RBI statistics, the affordability of housing is at its highest and as shown in the chart below, the housing price rise has slowed down since mid of 2017. With lower price levels of houses and lower interest rates, the housing demand is expected to be strong.

RBI House Price Index



Source: RBI

Management **Discussion and Analysis**

Our Performance Overview

Strengths

- Strong expansion momentum in a contiguous manner driving deeper penetration in core markets
- Omni channel distribution strategy with growing digital channel contribution
- Digital initiatives driving scalability
- Strong collection process and culture
- Data science backed underwriting

Opportunities

- Low mortgage penetration in India–huge potential
- Demographic factors such as urbanisation, nuclearization and population growth
- Government initiatives to boost affordable housing



Weakness

- Relatively smaller asset base and lesser known brand in the market

Threats

- Any industry or economic situations
- Competition from Fintechs
- Uncertain economic and political environment

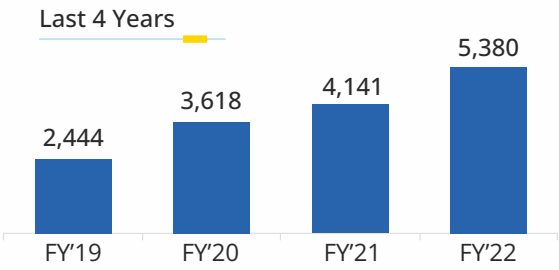
During the year, HomeFirst has maintained its growth momentum despite being a pandemic disrupted year. We continued with our focus on growth, liquidity, collections and increased use of technology across the business operations. We registered growth of 29.9% y-o-y in our AUM and 85.2% y-o-y growth in our disbursements. Compared to pre-covid year FY20, disbursements grew by 25.5%. The robust growth was supported by deeper penetration in our core markets and widened distribution coverage. We also exhibited

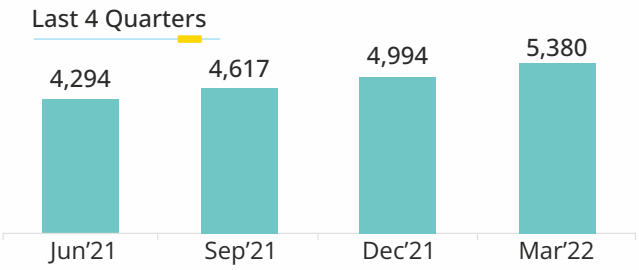
resilience in collections despite tough conditions during the year. We demonstrated prudence in collection practices such as low percentage of restructuring (0.7%) and no loans under ECGLS program for our customers. The dual focus on growth and collections helped us maintain our asset quality. Our Gross Stage 3 (GNPA) stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%). We shall deep dive into performance of various business parameters.

Assets under Management

During the year, our Assets Under Management grew by 29.9% from ₹4,141 Crs as at Mar'21 to ₹5,380 Crs as at Mar'22. We crossed a major milestone of ₹5,000 Crs AUM book during this current fiscal. Our 5 year CAGR (Mar'17- Mar'22) stands strong at 44.7%. Our book is growing in a granular and calibrated manner keeping our asset quality in check.

Assets Under Management (₹ Crs)





Our growth stems from our pan India contiguous distribution strategy. Starting with 60 districts at the beginning of the year, we now have presence in 98 districts. Our States of focus are Gujarat, Maharashtra, Tamil Nadu, Telangana, Andhra Pradesh and Karnataka. Together they comprise of 83.1% of our total AUM. We intend to penetrate deeper into these large housing finance markets, increase our presence and thereby capture higher market share.

States/Territories	Number of		Percentage of gross loan assets as on			
	Branches	Districts	FY22	FY21	FY20	FY19
Gujarat	21	22	36.0%	38.2%	39.7%	40.8%
Maharashtra	17	16	16.1%	19.2%	21.7%	28.4%
Tamil Nadu	12	18	12.2%	11.1%	9.9%	8.5%
Karnataka	4	5	8.1%	9.1%	9.0%	8.2%
Rajasthan	7	5	5.7%	5.5%	5.0%	3.8%
Telangana	5	5	7.5%	5.5%	4.9%	3.2%
Madhya Pradesh	5	6	4.9%	4.4%	3.9%	2.6%
Uttar Pradesh & Uttarakhand	1	8	3.9%	2.9%	2.6%	2.0%
Haryana & NCR	1	2	0.9%	1.0%	1.1%	1.3%
Chhattisgarh	1	4	1.5%	1.2%	0.9%	0.8%
Andhra Pradesh	6	7	3.2%	1.9%	1.3%	0.4%
Total	**80**	**98**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Management **Discussion and Analysis**

Geographic Presence

As of Mar'22, HomeFirst has presence in 98 districts spreading over 13 states/UT. We have 80 physical branches, presence at 63 new branch locations and 57 digital branches – taking our total touch points to 200.

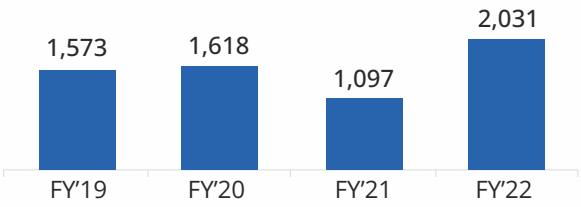
For our presence across India, please refer to Geographic Presence on page no. 06.

Disbursements

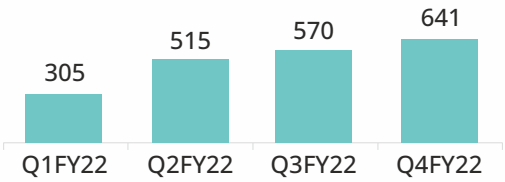
FY22 saw strong rebound of business and quarterly highs for disbursements. We ended the year with ₹2,031 Crs of disbursements – clocking a y-o-y growth of 85.2%. Compared to pre-covid year FY20, disbursements grew by 25.5%.

Disbursement (₹ Crs)

Last 4 Years



Last 4 Quarters

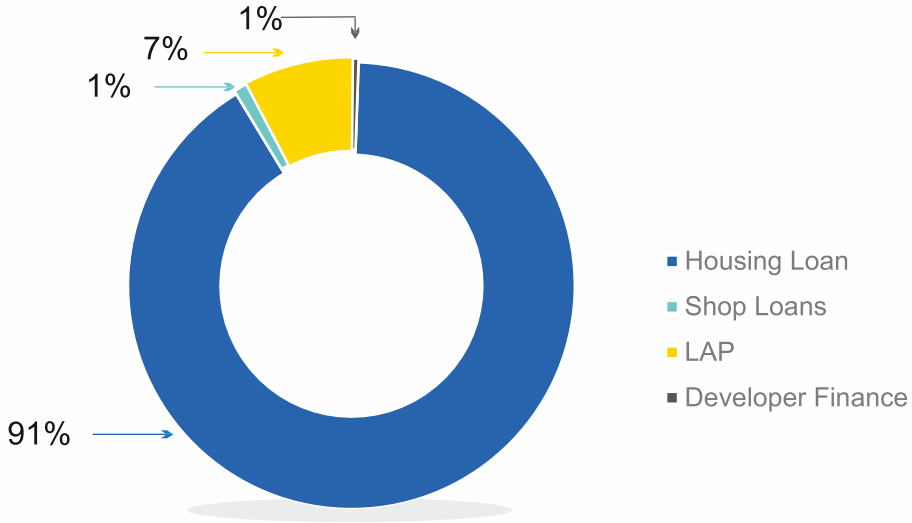


Product Metrics

The Company continues to have strong focus on home loans. These comprise of 91% of our total portfolio. The high concentration of home loans improves the quality of the portfolio. Further the average ticket size of home loan is ₹10.5 lakhs.

Considering the AUM mix by occupation, salaried customers forms majority of our portfolio amounting to 72% of our total book. Our emphasis has been towards salaried customers as they tend to show more resilience from a credit quality perspective. Further, majority of our customers are first time home buyers.

AUM by Product



Sharp focus on housing loans

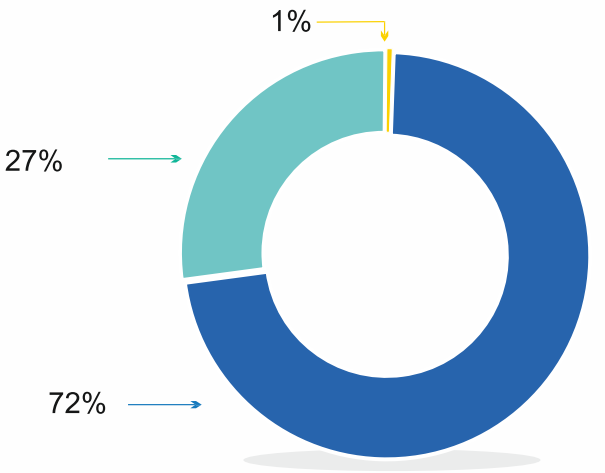
Management **Discussion and Analysis**

Since majority of our customers are first time home buyers, we have a fair share of new to credit customers, comprising 26% of our AUM. Further, the average CIBIL score for our customers who have bureau scores stands at 737.

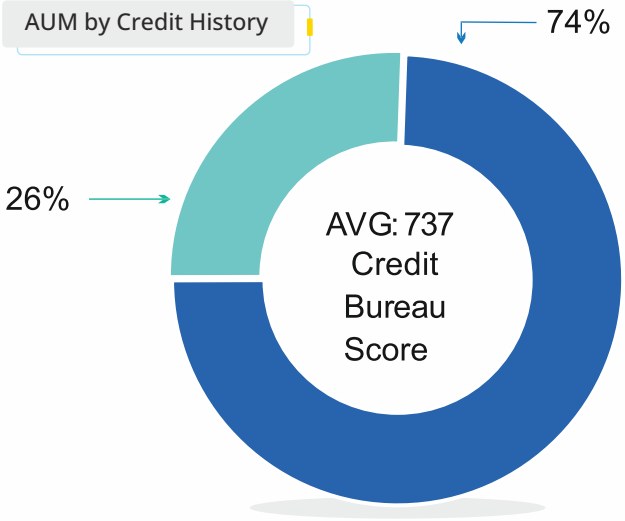
High ratio of salaried customers

- Salaried
- Self Employed
- Corporate

AUM by Occupation



AUM by Credit History

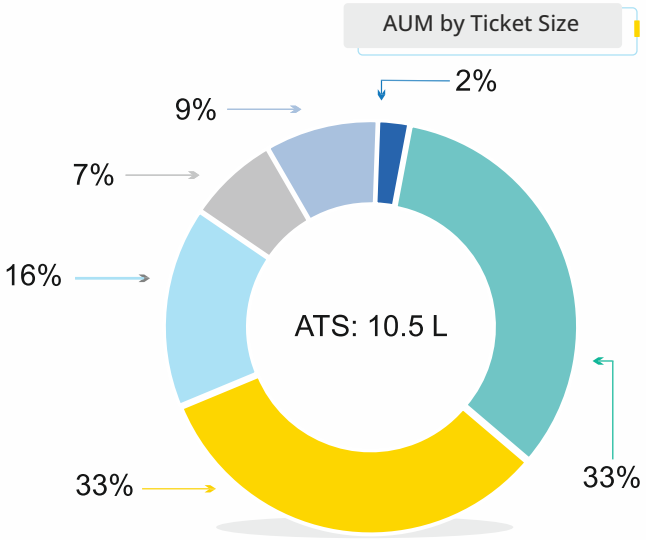


- Have Credit History
- New to Credit

Both credit tested and new to credit customers

Our book is very granular with ~89% of our book comprised of loans provided for ticket size ranging between ₹ 5 lakhs to 25 lakhs.

AUM by Ticket Size



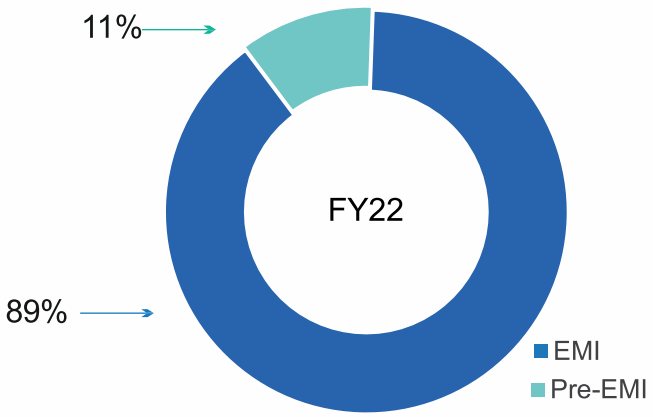
- Upto 0.5mn
- 0.5mn - 1mn
- 1mn - 1.5mn
- 1.5mn - 2.0mn
- 2.0mn - 2.5mn
- Above 2.5mn

Granular loan book

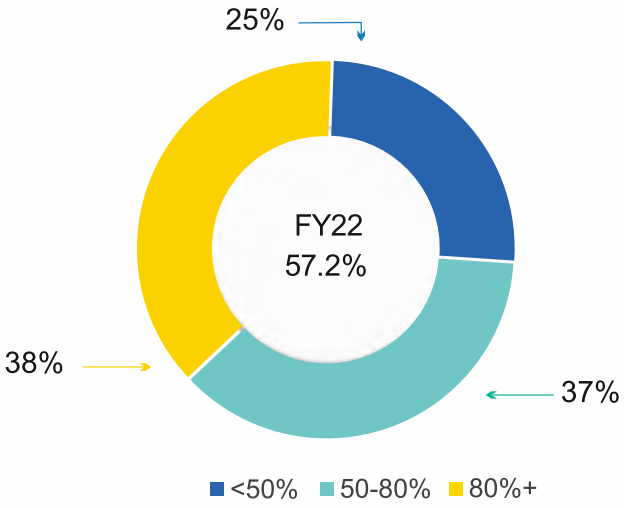
We manage our risk, by controlling our exposure to under-construction properties. Currently, only 11% of our book is exposed to under-construction properties. Our LTV at the time of sanction stands at 57.2%

Management **Discussion and Analysis**

Low Under Construction Risk



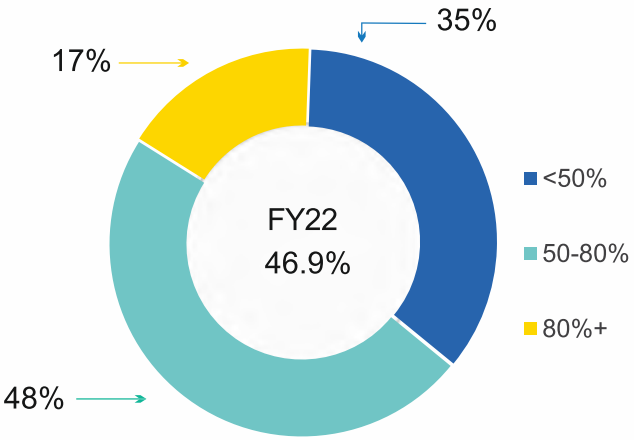
LTV on Origination



Credit Underwriting Process

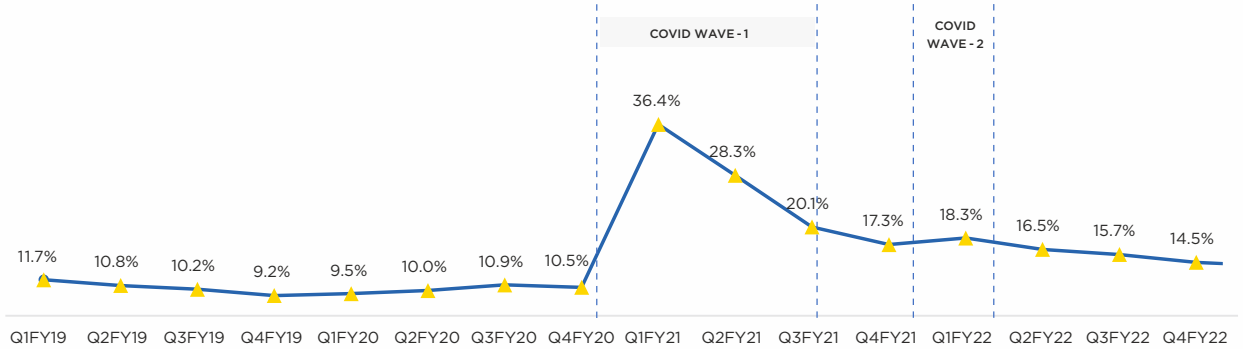
We have a strong underwriting process which incorporates the best of local knowledge of the customer and the property combined with centralized intervention in the form of digital data validation and machine learning models. The data validation and analytics help achieve consistent, accurate and cost-effective outcomes. Detailed steps in underwriting process and the technological initiatives undertaken by the company across processes and operations is detailed in the Intellectual Capital Chapter on page no. 72.

Low effective LTV on book



Asset Quality: Healthy Leading Indicators

Bounce rate : on the day of EMI presentation

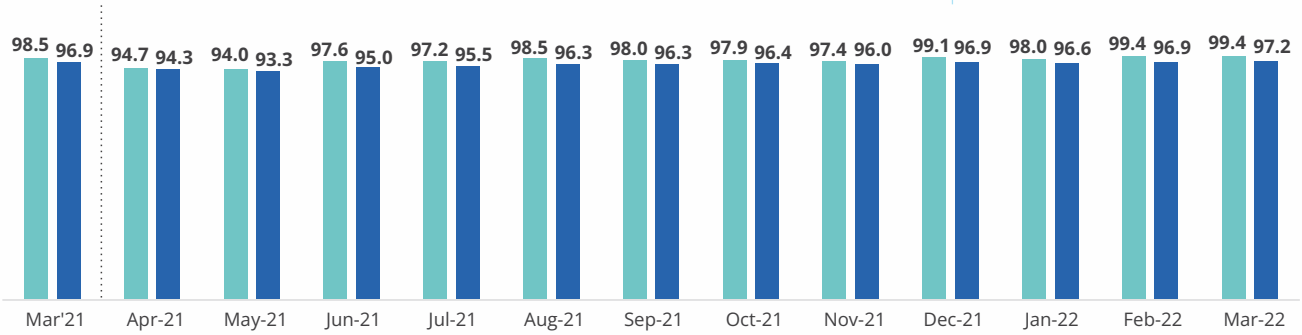


Management **Discussion and Analysis**

Our bounce rates which were impacted due to covid have been continuously improving every quarter. It is moving closer to pre-covid numbers. Also, collection efficiency has improved and closed the year with 99.4% in Mar'22.

Collection Efficiency in %

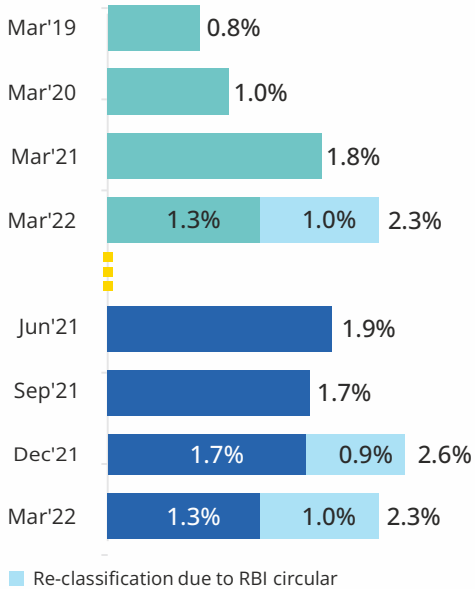
Collection efficiency trending back to normal levels



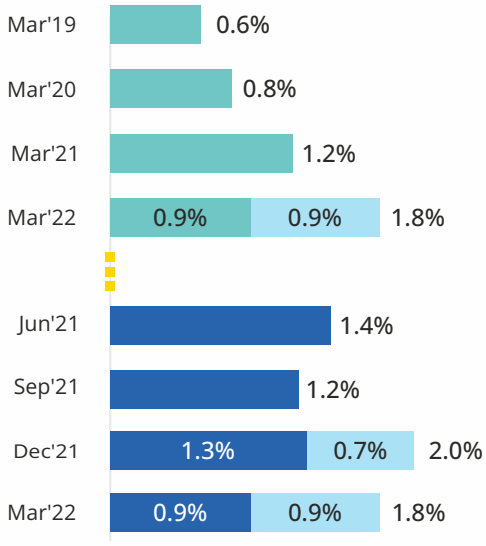
Note: (1) Collection Efficiency = Total # of EMIs received in the month (including arrears of previous months) / Total # of loan accounts whose EMIs are due in the month (2) Unique customers = # of customers who made at least one payment in the month / Total # of Customers whose EMIs' are due in the month

During the year, pursuant to the RBI circular dated 12 Nov 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company has aligned its definition of default and taken steps to comply with the norms/ changes for regulatory reporting, as applicable. Such alignment has resulted in classification of loans amounting to ₹44.41 Crs as non-performing assets (Stage 3) as at Mar'22 in accordance with regulatory requirements. Our Gross Stage 3 (GNPA) stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%). Our Stage 3 Provision Coverage Ratio stands at 47.1% (83.6% pre-RBI circular) as at Mar'22 compared to 74.4% as at Mar'21.

Gross Stage 3 / POS (GNPA) %



Net Stage 3 / Net POS (NNPA) %



Management **Discussion and Analysis**

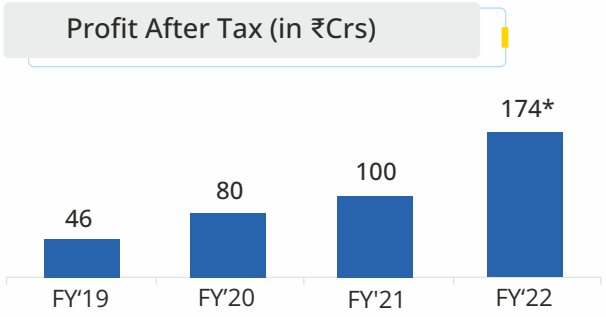
Our Financial Performance

Particulars (₹ Crs)	FY22	FY21	YoY %
Interest Income on term loans	477.04	406.13	17.5%
Net gain on DA	67.83	43.94	54.4%
Non-interest income	50.82	39.10	30.0%
Total Income	**595.70**	**489.16**	**21.8%**
Interest on borrowings and commercial papers	214.82	216.58	0.8%
Net Interest Income	**262.23**	**189.55**	**38.3%**
Net Total Income	**380.89**	**272.58**	**39.7%**
Operating Expenses	129.57	106.38	21.8%
Credit Cost	25.02	32.15	22.2%
Profit before tax	**226.30**	**134.04**	**68.8%**
Tax expense	52.21	33.90	54.0%
One-time adjustment	(12.01)	-	
Profit after tax after exceptional item	**186.10**	**100.14**	**85.8%**
Adjusted PAT	**174.08**	**100.14**	**73.8%**
Basic EPS	**21.26**	**12.37**	
Diluted EPS	**20.85**	**12.18**	

Key Financial Ratios

Particulars (₹ Crs)	FY22	FY21	Variance
Profit after tax on average total assets (ROA)	3.6%^	2.5%	+110 bps
Leverage (Average total assets/average Equity or average Net-worth)	3.3	3.5	
Profit after tax on average equity or average Net-worth (ROE)	11.8%^	8.7%	+410 bps
Cost to Income Ratio (Operating Expenses / Net Total Income)	34.0%	39.0%	-500 bps
Operating Expenses / Average total assets	2.7%	2.7%	
Debt to equity ratio	2.2	2.2	

^Adjusted RoA at 3.6% and Adjusted RoE at 11.8% computed considering Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment

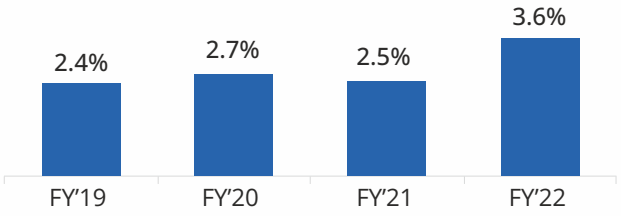


* ₹174 Crs is Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment

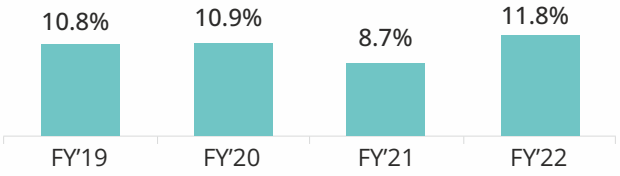
Adjusted PAT for FY22 increased by 73.8%; on account stronger spread contributed by lower cost of borrowing, ability to hold pricing in the market and judicious operating costs. We closed the year with ₹ 174* Crs Profit after tax compared to ₹100 Crs for the year ended Mar'21. Growth is supported by strong networth and health asset quality of the book. Our RoE for FY22 stands at 11.8% (considering adjusted PAT).

Management **Discussion and Analysis**

Return on Average Assets



Return on Average Equity

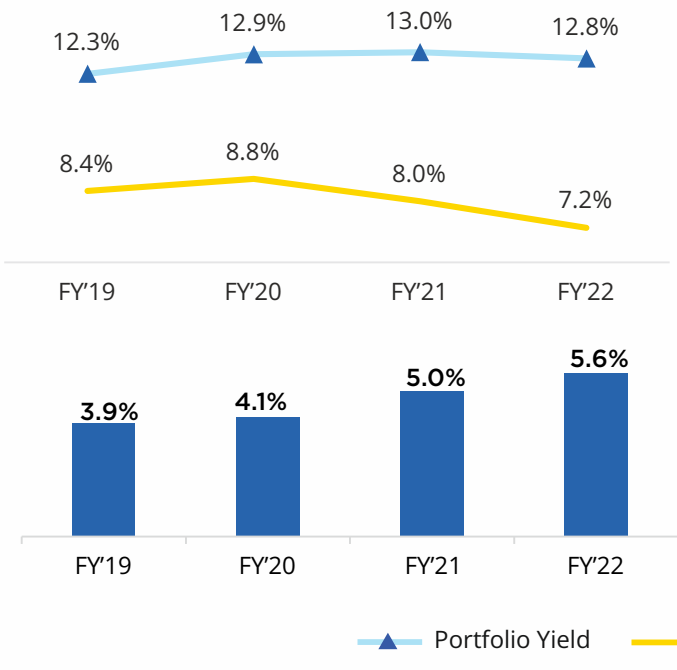


Spread on Loans

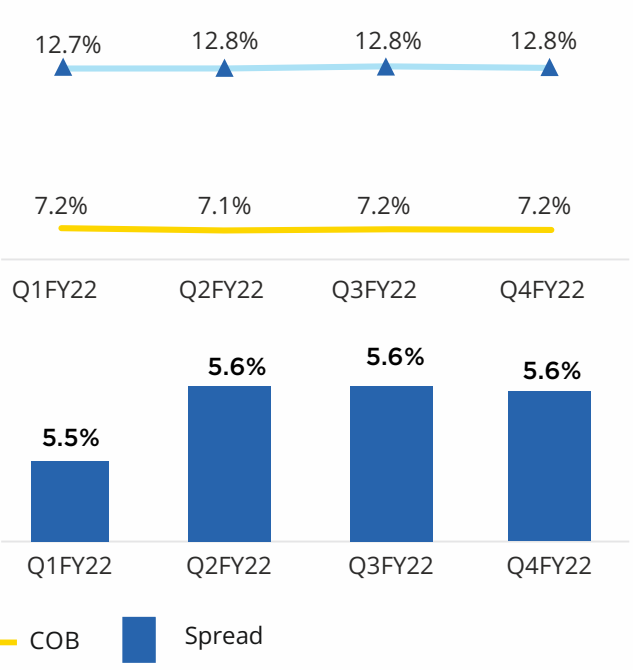
During FY22, our portfolio yield stabilized at 12.8% as against 13.0% for the previous year. The weighted cost of borrowings improved to 7.2% for FY22 from 8.0% for FY21 due to increasing diversification across the borrowing book and rate resets during the year. Competitive marginal cost on fresh borrowing assisted in further reducing the cost of borrowing. Spread on book for the year was 5.6%.

Net Interest Spread Movement

Last 4 Years



Last 4 Quarters



Resource Mobilisation

Shareholders' Funds

Our Shareholders' Funds as of Mar'22 stood at ₹1,573.69 Crs. The increase was primarily due to increase in retained earnings.

Particulars	₹ in Crs
Opening Equity as on Mar'21	**1,380.54**
Add: Shares issued during the year – represents increase on account of face value for the shares allotted pursuant to ESOPs exercised	0.05
Add: Increase in securities premium on account of premium received on allotment of shares	3.19
Add: Statutory Reserve transfer for the period	37.50
Add: Increase in retained earnings (net off transfer to statutory reserve)	148.60
Add: Option valuation linked credit	4.13
Add: Other comprehensive income	(0.32)
Closing Equity as on Mar'22	**1,573.69**

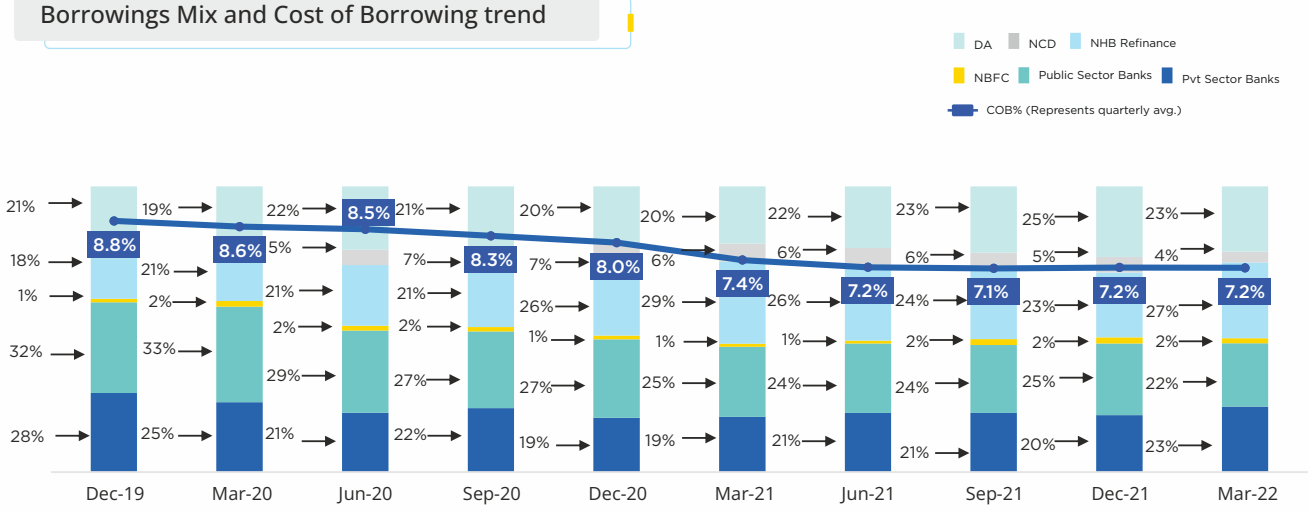
ESOP allotment

During FY22, the company has issued and allotted 233,976 equity shares pursuant to the exercise of stock options by eligible employees of the company under ESOP plans. Further during the year, 925,000 ESOPs were granted to the employees under the HomeFirst ESOP Scheme 2021.

Borrowings

The Borrowings of the company stood at ₹3,466.77 Crs as at Mar'22 as against ₹3,053.69 Crs as at Mar'21. During the year, liquidity to the tune of ₹2015 Crs was raised. The Company placed NCD of ₹99 Crs with ICICI Prudential Mutual Fund during the year.

Borrowings Mix and Cost of Borrowing trend

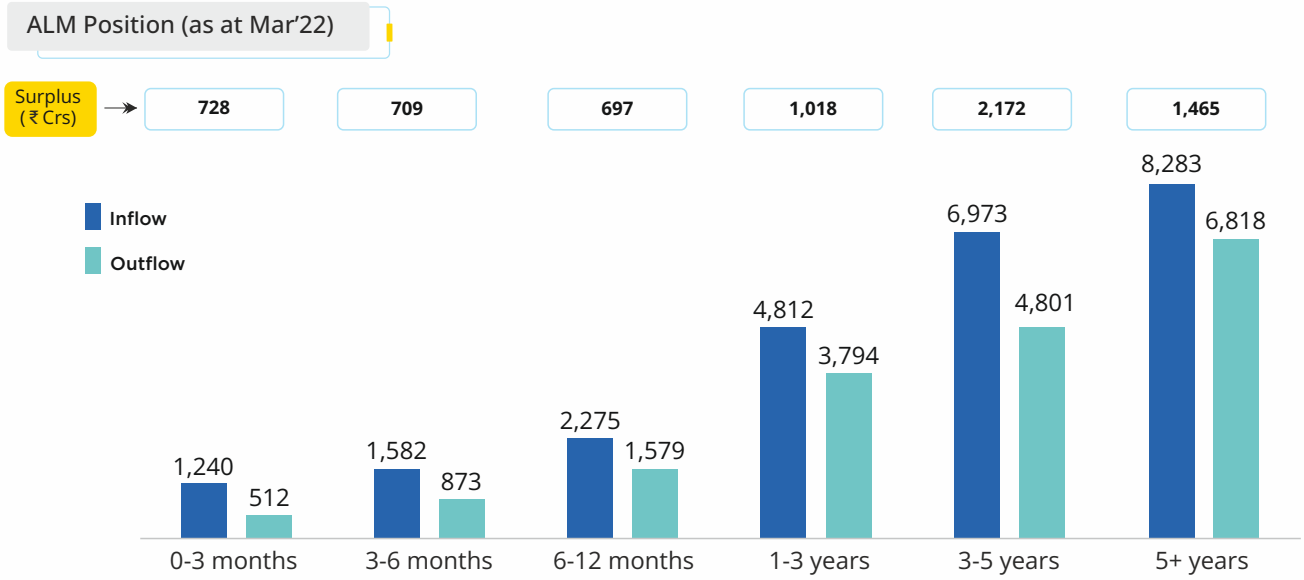


During FY22, the Company had not issued any Commercial Paper or any Short-Term Instrument. Accordingly, the Company's Commercial Paper outstanding was NIL as at Mar'22.

As at the end of Mar'22, we had a liquidity buffer of ₹1,063 Crs – comprising of unencumbered cash and cash equivalent of ₹626 Crs and ₹437 Crs of un-availed sanctions from the banks.

We have a robust asset liability management to ensure that we satisfy the requirements for loan disbursements and maturity of our liabilities. We have cumulative positive flows across all buckets and thereby optimally matched assets and liabilities.

Management **Discussion and Analysis**



Further detailing can be referred in the Financial Capital Chapter on page no. 50

Risk Management

As a housing finance company, the Company faces financial as well as non-financial risks. Hence risk management forms a crucial part of our business. We have a risk management and audit framework in place to identify, assess, monitor and manage various types of internal and external risks. In terms of the RBI NDSI Directions, the Listing Regulations and provisions of the Act, the Company's 'Risk Framework and Policy', the Company has risk management policy in place after considering the nuances of the business operations, business strategy as well as Company's overall objectives. The risks are identified and monitored periodically.

Corporate Governance Structure

Strong 5-tier corporate governance framework in place for effective risk management



Major risks faced by the Company are:

— Credit risk
— Market risk including liquidity risk and interest rate risk
— Operational risk
— Asset liability management risk
— Compliance and regulatory risk
— Reputation risk
— Information Technology risk, Cyber Security Risk and Information Security Risk
— Environment Social & Governance related risk

The Risk Management Committee reviews all the risks and policies at timely intervals to ensure they are in line with the growth of the Company. Further, the Board also monitors the risks and their mitigants through its sub-committees like ALCO, Risk Management Committee, and IT Strategy Committee. The Audit Committee observes how the management oversees compliance with the risk management policies and procedures. It also reviews the adequacy of the risk management framework with respect to the risks faced by the Company from time to time.

Type of Risk	Description	Mitigation Measures
Credit Risk	The possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a credit portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.	· The Company has a Board approved Credit Policy in place which is prepared post considering inputs from Senior Management. This policy entails a set of credit procedures and guidelines for effective credit risk management and to ensure a healthy portfolio. · The Credit Committee reviews adherence to the policy and the credit portfolio performance metrics on a quarterly basis. This is presented to the Audit Committee of the Board and their inputs are also taken on record. · The credit policy is reviewed annually and amended periodically to ensure compliance with guidelines of RBI, NHB as well as other regulatory bodies. The inputs received from credit committee and audit committee are considered while reviewing and renewing the policy. · Robust processes o Credit Approval - Verification of information through independent third-party/applications (to understand financial discipline and other credit risk dimensions). o Property Assessment - Support from Technical and Legal Expert to evaluate ownership rights on property o Conditional approval and risk-based pricing. o Exposure limits on groups / sub groups, builder, Product & Property type. o Refining sourcing strategy based on portfolio performance and business opportunities. o Continuous training to existing credit officers and new recruits – who form the first line of defence for the company. o Regular internal audits and reviews by the Audit Committee ensure that the credit policy is implemented effectively.

Type of Risk	Description	Mitigation Measures
Market Risk	Risk of loss arising from movements in market prices or rates away from the rates or prices set out in a transaction or agreement. Considering the nature and scope of business, Home First's primary objectives of investments is liquidity management, through investments in liquid mutual funds, debt mutual funds, NCDs, CD/CPs, fixed deposits with high quality instrument.	· Investment process is guided by detailed investment policy. Investments of temporary surplus funds is done as per the policy principle which provides for strict controls in terms of tenure, product, rating, limits and authorization. · Regular assessment of all investments along with underlying portfolios is carried out & the investments are reported to ALCO on a quarterly basis.
Operational Risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	· The Board approved Operational risk management policy enlists the processes and controls for monitoring people, systems and processes at various points of time. · We have a comprehensive system of internal controls, systems and procedures to monitor transactions, employee rotations, contingency planning, insurance cover, document storage and retrieval arrangements as well as maintenance of back-up procedures to minimize operational risks. · In addition, we have appointed independent audit firms to conduct internal and process audits at all of our offices to assess adequacy of and compliance with our internal controls, procedures and processes, as well as all applicable statutory and regulatory guidelines. · Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed in the Audit Committee meetings.
Liquidity Risk	Liquidity risk is the inability of a financial institute to meet its obligations as they become due, without adversely affecting the its financial condition.	· In order to manage the liquidity risk, we have a comprehensive Asset Liability Management Policy in place. The Policy provides for several risk management measures including short term liquidity forecasts which is done to identify any short-term liquidity gaps and implementing immediate actions to correct such gaps, diversifying our sources of funding to facilitate flexibility in meeting our funding requirements, and maintaining strong capital adequacy. · The Company has adopted the stock approach to measure liquidity buffers along with quarterly reporting of critical ratios and threshold levels to ensure adequate liquidity planning.

Type of Risk	Description	Mitigation Measures
		We have positive ALM flows across all buckets in line with prudent ALM practices. · Effective simulation method is also adopted to periodically stress test bucket-wise flows. · Quarterly monitoring of liquidity ratios including Liquidity Coverage Ratio (LCR**).** · Further, to strengthen internal controls, an audit process is in place to ensure implementation of the above-mentioned measures is carried out effectively.
Compliance & Regulatory Risk	The risk of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and applicable codes of conduct.	· The Company has a robust framework, monitored by senior management team to mitigate compliance and regulatory risk. · Monitoring through compliance tracker and reporting timelines. · Coordination and clear communication amongst departments in case of inter-dependencies · The amendments by any of the regulators are monitored closely. · Further internal audit process assists in complying with all the existing laws and regulations.
Reputation Risk	Reputational risk can be defined as the risk arising from negative perception on the part of customers, counterparties, shareholders, investors, debt-holders, market analysts, other relevant parties or regulators that can adversely affect entity's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.	· HomeFirst has robust Governance framework as per applicable Regulations. · Enhance compliance culture through training and awareness workshops. · Customer grievance redressal policy with robust redressal mechanism. · Communication with stakeholders through appropriate mechanisms to address their expectations and concerns. · Dedicated investor relations team and adherence to Regulatory disclosures.
Information Technology Risk, Cyber Security Risk and Information Security Risk	Information technology risk is the risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure.	· HomeFirst has IT Policy prepared as per NHB and RBI guidelines, which sets out processes and controls that are required to be maintained in relation to the IT systems. The IT Policy is amended regularly. · Further we have an IT Strategy Committee of the Board. The main responsibility of this Committee is to assess the IT systems of the Company and gauge the vulnerability of the system to various risks and its mitigants.

Type of Risk	Description	Mitigation Measures
	Cyber Security Risk means risk of cyber-attacks on Home First's systems through hacking, phishing, ransomware and other means, resulting in disruption of our services or theft or leak of sensitive internal data or customer information. Information Security refers to protecting sensitive information and ensuring use of information only by legitimate users with proper authorization. Risk of information getting compromised or being accessed without proper authorization exposes organization to Information Security Risk.	· The Company has adequate codes/policies to ensure that there is no breach in the privacy of the information of the customers. · End Point security software and Antivirus software in all laptops. · Robust access-control and log tracking for server security · To ensure IT security, performance stability and flexibility, HomeFirst has a well-established IT infrastructure in place. The loan processing applications of the company are built on Salesforce.com which is a globally recognized platform with low downtime and low security risk. · Further, we conduct IT audit once every two years to determine issues and process level gaps, if any. · Training is provided to existing and new employees on IT policies, procedures and code of conduct.
Environment Social & Governance related risk	The risk related to environmental, social and governance-related that may impact an entity in terms of its sustainability and may exposes it to non-financial risk.	· HomeFirst has dedicated ESG policy. · Involvement of senior management in tracking and monitoring ESG related risk. · Negative list/exclusion for restricting funding to inappropriate property/development location which may either lead to loss of life and/or deterioration in quality of life in nearby habitats.

Direct Assignment

During the FY22, we received a purchase consideration of ₹464.62 Crs from direct assignment and the securitized assets were derecognized in the books of the company. As at Mar'22, the company has Direct Assignment of ₹1,025.16 Crs in the total portfolio compared to ₹765.59 Crs as at Mar'21

Capital to Risk-Weighted Assets Ratios

The following table sets forth our capital to risk-weighted assets ratios for the periods indicated:

	Mar'22	Mar'21
CRAR (%)	58.61%	56.19%
CRAR - Tier I capital (%)	58.05%	55.23%
CRAR - Tier II capital (%)	0.56%	0.96%

Credit Ratings

As at Mar'22, the following table sets forth our credit ratings:

Instrument	Rating Agency	Rating	Amount (in ₹)	Outlook
Term Loan	ICRA	A+	3,500 Crs	Positive
	India Ratings	AA-	1,500 Crs	Stable
	CARE	A+	282.97 Crs	Stable
Commercial Paper	ICRA	A1+	100 Crs	-
	India Ratings	A1+	100 Crs	-
Non-Convertible Debentures	ICRA	A+	400 Crs	Positive
	India Ratings	AA-	400 Crs	Stable

During FY22, ICRA Limited revised the outlook to 'A+ with Positive Outlook' from ' A+ with Stable Outlook' for Term Loans and NCDs. Furthermore, during the year under review, India Ratings & Research has assigned AA- for Term Loans and NCDs.

Human Resources

Human Capital is the most critical asset of our company and forms the core of our operations. As a company, we are sensitive to the needs of the employees and ensure that best practices are adopted in the organization and conducive environment is created for growth of the employees. There are various trainings provided to the employees to upskill them and help them progress in their careers. Further, employee engagement programs are undertaken to keep them motivated and to instill a sense of belongingness. Pursuant to such measures, HomeFirst Finance Company was certified as Great Place to Work tag by GPTW Institute for second time in a row. More details on trainings, employee benefits, employee engagement activities can be found in Human Capital Chapter – refer page no.56.

As of Mar'22, the employee strength stood at 851 as compared to 687 as at Mar'21

ESG

Given the growing importance of sustainability across the global economy, HomeFirst has taken a proactive approach to come up with Sustainability Report Section. Please refer page no. 32 onwards. Through this chapter, we will take you through the digital initiatives adopted by the Company by way of Intellectual Capital. Please refer to page no. 72. The innovative technologies show our commitment towards being environmentally friendly. To display our responsibility towards our customers and employees – we have drafted Social and Relationship Capital and request you to please refer page no. 62. Further, our commitment and infrastructure to have strong governance system is detailed out in Ethics and Governance Chapter – please refer page no. 36.

Internal Control Systems

The Company has an adequate internal Control System to ensure adherence to company's policies and procedures, compliance with applicable laws and regulations, to ensure that management information and financial reporting is correct, reliable, and complete, to enable detection and prevention of frauds and errors and to safeguard the company assets against loss from unauthorised use or disposition, amongst others. Further, the internal control system is commensurate with the size of the business as well as the industry in which the Company operates. The framework endorses ethical values, good corporate governance, and risk management practices. The Company has appointed Internal Auditors to ensure compliance with the company's policies and procedures and compliance with applicable laws and regulations.

Audit Committee of the Board reviews the performance of the internal audit and the adequacy of the internal control systems and compliance with regulatory guidelines. Audit Committee also provides necessary oversight, gives recommendations, and monitors implementation of such recommendations.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of the Company, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent developments.

Outlook

We are very positive on the business environment. Affordable Housing Finance is a multi-decade opportunity. HomeFirst will continue to maintain strong fundamentals led by a strong balance sheet with a robust risk management framework. We will leverage technology to automate processes, reduce costs and improve customer service. We are committed to our mission to be the fastest provider of home loans to the aspiring middle class of India - delivered with ease and transparency. We will continue to contribute value to all our stakeholders with sustainable & profitable growth.

DIRECTORS' REPORT FY22

To,
The Members,
Home First Finance Company India Limited.
("the Company" / "Home First")

Your Directors take pleasure in presenting the 13th Annual Report of the Company together with the Audited Statement of Accounts for FY22.

FINANCIAL SUMMARY:

State of Company's Affairs

The Company is a leading technology driven affordable housing finance company in India. As a new-age company in one of the fastest growing economies, the Company caters to the need of first-time home buyers belonging to the low and middle-income group who have the aspiration of owning a home. The Company has transitioned over the years to keep pace with changes in the environment and technology, with its prime focus being to provide sustainable credit to the underserved segment of the society.

Financial Results:

The year FY22 saw a mix of the best of times and the worst of times. During the year under review, your company has delivered a robust all-round performance, emerging stronger from the crisis. Your company has achieved a key milestone of ₹ 5,000 Crs AUM in FY22. The customers exhibited resilience during this phase and this is illustrated by strong collections and the asset quality. Further, the bounce rate has also normalized and moving towards the pre-covid range of 10%-15%. Although we faced minor bumps on account of covid, the company managed to record healthy 1+ DPD at 5.3%, 30+ DPD at 3.7%. Further, our Gross Stage 3 (GNPA) stood at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stood at 1.3% (March'21: 1.8%)

The key highlights of the Audited Financial Statements of your company for FY22 and a comparison with the previous year is summarized below.

	(Amount in ₹Crores)	
Particulars	**FY 22**	**FY 21**
Total Income	595.70	489.16
Less: Total Expenses	369.40	355.12
Profit/ (Loss) before tax	**226.30**	**134.04**
Less: Current tax	44.68	28.95
Deferred tax	7.53	4.95
Tax pertaining to earlier years	(12.01)	-
Profit after Tax	**186.10**	**100.14**
Other Comprehensive Income	(0.32)	(0.33)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(37.50)	(20.04)
Balance carried to Balance Sheet	**148.28**	**79.77**
Earnings per Share (Face Value ₹2)		
Basic (₹)	21.26	12.37
Diluted (₹)	20.85	12.18

Directors' Report

Business Update:

During the year under review, your company expanded the distribution network to 80 branches as at March'22 from 72 branches as at March'21. This contiguous branch expansion has helped your company to grow its portfolio by 30% y-o-y. Additionally, in FY22, the long-term credit rating for your company was revised from A+ 'Stable' to A+ 'Positive' by ICRA. Furthermore, India Ratings & Research had assigned the long-term credit rating as 'IND AA-'/Stable.

The Net Interest Income reported for the period was ₹262.23 crores vis-à-vis ₹189.55 crores in FY21. The increase in employee strength has also accounted for an increase in operating expenses to ₹129.57 crores from ₹106.38 crores in FY21. The Assets Under Management (AUM) as at March'22 amounted to ₹5,380.33 crores vis-à-vis ₹4,141.07 crores in the previous year; a year-on-year growth of 29.9%. The profit before tax for FY22 increased by 68.8 % to ₹ 226.30 crores (FY21: ₹134.04 crores). The profit after tax for FY22 increased by 85.84% to ₹186.10 and the Net Worth of the Company as on March'22 stood at ₹1,573.69 crores.

The Gross Non-Performing Assets (GNPA) as on March'22 was ₹101.52 crores equivalent to 2.33% of the total loan book of the Company and corresponding Net Non-performing Assets (NNPA) was ₹76.27 crore resulting in NNPA of 1.77%. Pursuant to the requirement of the Indian Accounting Standard ("Ind AS"), net provision of ₹1.54 crores was created by the Company in FY22 (FY21: ₹18.59 crores) on total loan assets of the Company. The Company has written off loans amounting to ₹ 22.53 crores in FY22 (FY21: ₹ 12.88 crores) on which corresponding opening provisions were reversed. The total credit cost for the year amounted to ₹25.02 crores (FY21: ₹32.15 crores). As at March'22, the Company holds an aggregate provision of ₹47.78 crores (FY21: ₹46.25 crores) against advances. Our total ECL provision / POS as of March'22 stands at 1.1% (March'21: 1.4%).

During the year under review, the company issued secured, rated, listed, redeemable, taxable non-convertible debentures on a private placement basis aggregating to ₹99 crores which are listed on the wholesale debt segment of BSE Limited.

Further the Company had received subsidy under PMAY-CLSS worth ₹89.47 crores in respect of 3,962 beneficiaries and the same had been credited into to the respective customers' loan accounts as applicable.

Resources and Liquidity:

Your Company has been maintaining strong liquidity buffers on an ongoing basis. The Company has a diverse set of lenders/investors which includes public sector banks, private sector banks, the national housing bank, mutual funds and financial institutions. Funds were raised in accordance with the Company's Resource Planning Policy, through term loans from banks, NCDs and re-finance facilities from NHB. The Company's long-term nature of borrowings and adequate liquidity have ensured a well- matched ALM.

During the year under review, the Company has raised (i) ₹911 crores borrowings from bank / financial institutions (outstanding as on March'22: ₹2,103.70 crores), (ii) ₹605.09 crores raised by way of Direct Assignment (iii) ₹400 crores through re-finance from NHB (outstanding as of March'22: ₹1,194.28 crores) and (iv) ₹99 crores by way of NCDs (outstanding as of March'22: ₹168.78 crores).

Disclosure as per Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021.

(I) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption : Nil

(ii) The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption : Nil

Credit Rating:

The Company's financial discipline and prudence is reflected in the strong credit ratings assigned by Credit Rating Agencies as under:

Instrument	Rating Agency	Rating	Outlook	Amount in ₹
Term Loan	ICRA	A+	Positive	3500 Cr
	India Ratings	AA-	Stable	1500 Cr
	CARE	A+	Stable	282.97 Cr
Commercial Paper	ICRA	A1+	-	100 Cr
	India Ratings	A1+	-	100 Cr
Non-Convertible Debentures	ICRA	A+	Positive	400 Cr
	India Ratings	AA-	Stable	400 Cr

Migration of Credit Rating of the Company:

During the year, rating agencies have reaffirmed their confidence in your Company's stable operations and strong balance sheet. ICRA Ratings has revised the long-term outlook from "A+ Stable" to "A+ Positive". Also, India Ratings & Research had assigned "AA-Stable" rating to Home First's long-term rating and re-affirmed "A1+" for the commercial paper program.

Capital Adequacy Ratio:

The Company maintains an adequate Capital Adequacy Ratio of 58.61 % (Tier I Capital Adequacy Ratio 58.05 %) as of FY22 (FY21 56.19%); which is far higher than the minimum required level of 15% under the RBI Master Directions signifying the strong position of the Company.

Deposits:

Your Company being a Non-Deposit taking Housing Finance Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with the Chapter V of the Act is not applicable.

Awards & Recognitions:

Your Company was certified as 'Great Place to Work' by Great Place to Work Institute, India. This was an excellent endorsement of the human resource practices and work culture of the Company.

Change in the nature of business:

There has been no change in the nature of business of the Company during the year under review.

Details of Companies which have become or ceased to be its subsidiary, associate or joint venture companies:

During the year under review the Company does not have any Subsidiary, Associate or Joint venture Companies.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between March'22 and date of this report:

No material changes and commitments, affecting the financial position of the Company have occurred between the financial year ended March'22 and date of this Director's Report.

Dividends & Reserves:

The Board of Directors have assessed the performance of the Company and considering the future strategic plans of the Company for rapid growth, the Board considers it prudent to conserve the resources of the Company. Hence, the Board of Directors do not recommend any dividend payment on equity shares for the financial year under review.

The Company has formulated Dividend Distribution Policy in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy is available on the website of the Company at https://homefirstindia.com/files/DividendDistributionPolicy.pdf

During the year under review, pursuant to Section 29C of the NHB Act, 1987, the Company had transferred a sum of ₹37.50 crores out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

SHARE CAPITAL:

Authorized Share Capital:

During the year under review there was no change in the Authorized Share Capital of the Company.

Issued, Subscribed and Paid-up Share Capital:

During the year under review, the Company allotted 233,976 Equity Shares to employees on exercise of stock options granted under ESOP 2012 Scheme and ESOP II Scheme. Pursuant to the aforesaid allotments of equity shares, the issued, subscribed and paid-up share capital of the Company stands increased to ₹175,267,406/- (87,633,703 Equity Shares of Face Value ₹2/- each).

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review, the Company has entered into certain transactions/contract with related parties falling within the provisions of Section 188 of the Act and the rules made thereunder. However, the Company has obtained Omnibus approval for the same from the Audit Committee, and the requirement of disclosure of Related Party Transactions in terms of Section 134(h) of the Act is provided in Form AOC-2 as **Annexure I.**

Further as required by Master Directions – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, "Related Party Transaction Policy" is annexed as **Annexure II** and the same can be accessed on the website of the Company at https://homefirstindia.com/policy/related-party-transaction-policy/.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since your Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

Foreign Exchange Earnings and Outgo:

The Company has no foreign exchange earnings and has made expenditure in foreign currency as per the following table:

(Amount in ₹ crores)

Sr No.	Particulars	FY 22	FY 21
1.	Software fee	6.14	4.47
2.	Legal Counsel fee for IPO	-	1.95
3.	Data room charges for IPO	-	0.07
	Total	**6.14**	**6.49**

Directors' Report

ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Act, the copy of Annual Return in Form MGT-7 as required under Section 92 (3) of the Act is placed on the website of the Company at www.homefirstindia.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company is a Housing Finance Company, the disclosure regarding particulars of loans given, guarantees given, security provided and investment made in the ordinary course of business is exempted under the provisions of Section 186 (11) of the Act.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to its financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. In the opinion of the Auditors of the Company, there are adequate internal financial control procedures that is commensurate with the size of the Company.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company has a diverse and inclusive Board which empowers to protect the interest of all the Stakeholders. The composition of the Board is in accordance with Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an appropriate combination of Executive, Non-executive and Independent Directors. As of March'22, the Board of Directors of your Company comprised 9 Directors; viz. four (4) Independent Directors out of which two (2) are women Independent Directors, four (4) Nominee Directors and 1 (one) Executive Director. The Chairman of the Board is an Independent Director.

Details of Board of Directors along with Key Managerial Personnel as on March'22 is mentioned below

Name	DIN/PAN	Designation
Mr. Deepak Satwalekar	00009627	Chairman & Independent Director
Ms. Geeta Dutta Goel	02277155	Independent Director
Mr. Anuj Srivastava	09369327	Independent Director
Ms. Sucharita Mukherjee	02569078	Independent Director
Mr. Vishal Vijay Gupta	01913013	Nominee Non-Executive Director
Mr. Divya Sehgal	01775308	Nominee Non-Executive Director
Mr. Maninder Singh Juneja	02680016	Nominee Non-Executive Director
Mr. Narendra Ostawal	06530414	Nominee Non-Executive Director
Mr. Manoj Viswanathan	01741612	Managing Director and Chief Executive Officer
Ms. Nutan Gaba Patwari	AGSPG3187G	Chief Financial Officer
Mr. Shreyans Bachhawat	AJDPB9500E	Company Secretary

Appointment / Resignation of Directors:

During FY22, the following Directors were appointed on the Board of the Company as Non-Executive Independent Director of the Company.

- Ms. Geeta Dutta Goel (DIN:02277155) w.e.f. November 1, 2021
- Mr. Anuj Srivastava (DIN:09369327) w.e.f. November 1, 2021
- Ms. Sucharita Mukherjee (DIN:02569078) w.e.f. February 1, 2022

In the opinion of the Board, the Independent Directors appointed during the year meet the criteria of integrity, expertise and experience required for decision making and strategy building of the Company.

Further, the following Directors have resigned from the Board of the Company

- Mr. Sakti Prasad Ghosh (DIN:00183802) w.e.f. October 31, 2021
- Ms. Sujatha Venkatramanan (DIN:05340759) w.e.f. October 31, 2021
- Mr. Rajagopalan Santhanam (DIN:00025669) w.e.f. January 31, 2022

Key Managerial Personnel (KMP):

During the year under review, there was no change in the Key Managerial Personnel of the Company.

In terms of the Act, the following are the KMPs of the Company as on March'22:

a. Mr. Manoj Viswanathan –Managing Director & CEO
b. Ms. Nutan Gaba Patwari – Chief Financial Officer
c. Mr. Shreyans Bachhawat – Company Secretary

Declaration by Independent Directors:

There are four Independent Directors on the Board of the Company. The Independent Directors have submitted their Declaration of Independence in accordance with the relevant provisions of Section 149 of the Act; stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

Declaration of Fit & Proper Criteria:

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the criteria prescribed by RBI / NHB.

Director(s) Retiring by Rotation:

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, not less than one-third of the total number of retiring directors should retire by rotation, at every Annual General Meeting. For the purpose of this section, the total number of directors to retire by rotation shall not include Independent Directors.

In accordance with provisions Section 152 of the Act, Mr. Vishal Vijay Gupta (DIN:01913013), Nominee Director of the Company, being longest in the office, retires at the ensuing Annual General Meeting.

Performance Evaluation of the Board:

The Company has defined a manner of evaluation as per the provisions of the Act and SEBI Listing Regulations and for the evaluation of the performance of the Board, Committees of Board & Individual Directors. The above manner is based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

The Board carried out the evaluation of every Director's performance, its own performance, the Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee and all the Independent Directors.

During the financial year under review, a separate meeting of the Independent Directors was held on March 21, 2022, without the attendance of Non-Independent Directors and the Management of the Company. The Independent Directors had discussed and reviewed the performance of the Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties.

Corporate Governance Report:

The Corporate Governance report is furnished as **Annexure III** to this report. A certificate from Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as prescribed under the Listing Regulations is annexed to the Corporate Governance Report. Further, pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Bhatt & Associates Company Secretaries LLP have stated that for FY22, none of the Directors have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority and a certificate to that effect has been annexed to the corporate governance report.

Internal Guidelines on Corporate Governance:

As on March'22, your Company adhered to the Internal Guidelines on Corporate Governance adopted in accordance with Master Directions – Non-Banking Finance Company -(Housing Finance Company), (Reserve Bank) Directions, 2021, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance practices of the Company. The said policy is available on the website of the Company can be accessed at https://homefirstindia.com/policy/corporate-governance-policy/

Company's policy on Director's appointment and remuneration:

The Nomination and Remuneration Committee had laid down criteria for determining Directors Qualification, Attributes and Independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. The policy may be accessed on the Company's website at https://homefirstindia.com/.

Further as required by Master Directions – Non-Banking Finance Company -(Housing Finance Company), (Reserve Bank) Directions, 2021, there were no pecuniary relationship or transactions of the Non-Executive Directors with the Company except sitting fees and profit related commission paid to the Independent Directors.

Management Discussion and Analysis:

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Master Directions issued by the Reserve Bank of India, the Management Discussion and Analysis Report (MD&A) forms part of this report.

Business Responsibility and Sustainability Reporting ('BRSR'):

In terms of Regulations 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, based on the market capitalization (calculated as on 31st March of every financial year) shall submit business responsibility and sustainability report for FY22 describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time. The same has been included as part of the Annual Report as **Annexure VII**. Despite not being mandatory this year, the Company being committed to the well-being and betterment of the community in which it operates and with a focus on the social and governance aspects have opted to submit the BRSR for FY22.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

Board and Committee Meetings:

During FY22, the Board of Directors of the Company met 5 times. The details of meetings of the Board and its Committees held during the financial year under review are provided in the Corporate Governance Report of the Directors which forms a part of this report. The intervening gap between the two Board meetings was within the period prescribed under the Act.

Whistle Blower Policy / Vigil Mechanism:

In accordance with the provisions of Section 177 (9) of the Act and the rules made thereunder, the Company has established Vigil mechanism and also adopted a Whistleblower Policy under the surveillance of the Audit committee. The Company has adopted a work culture which ensures the highest standards of professionalism, honesty, integrity, moral and ethical behavior.

The Policy may be accessed on the Company's website at the link: http://www.homefirstindia.com/whistle-blower-policy

Corporate Social Responsibility (CSR):

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of promoting healthcare, education and livelihood support, skill development of migrant workers and empowerment of women workers. The Company in order to ensure environmental sustainability and to create ecological balance has undertaken projects viz. planting of trees and installing solar panels. Further, during COVID time, the Company has also provided oxygen cylinders and food kits. The CSR Policy is available on the Company's website at http://www.homefirstindia.com/CSR policy. The details of all the activities done as a part of CSR initiatives are given in **Annexure V**, forming part of this Report. These projects are in accordance with Schedule

VII of the Companies Act, 2013 read with the relevant rules.

RISK MANAGEMENT FRAMEWORK:

With the growing size, risk management is critical for the Company. As a lending institution, we face financial and non-financial risks. The framework is developed in such a way that it aligns with the business strategy, company's reputation and ensures support to business operations while creating value for the stakeholders. The Company has automated the risk management practices and has a multi-layered structure. This augments our risk evaluation and management capabilities while providing the flexibility to adapt effectively and efficiently to the changing business and regulatory environment.

In terms of the RBI NDSI Directions, the Listing Regulations and provisions of the Act, the Company's 'Risk Management Framework and Risk Management Policy' integrates various elements of risk management embodied in the business and administrative aspects of the Company into a unified enterprise-wide policy. The Company is vigilant and has laid down the policy in light of Company's objectives, business strategy and intricacies arising out of the business operations. The Company identifies and monitors risks periodically. The Company also has a Risk Management Committee, comprising majority of Board members, which oversees the overall risk assessment and implementation of the mitigants in the Company.

A detailed report on Risk Management is presented in the Management & Discussion Analysis report, which forms part of this annual report.

AUDITORS AND REPORTS:

Appointment of Auditors:

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, and with the approval of the shareholders at the Annual General Meeting held on August 5, 2021, M/s. Deloitte Haskins and Sells ('Auditors'), Chartered Accountants, Firm registration no: 117365W, were appointed as the Statutory Auditors of the Company for a term of 3 years. The Company has received a confirmation from the said Auditors that they are not disqualified and are eligible to hold the office as Auditors of the Company.

Qualification/ Reservation/ Adverse remark / Disclaimer of Statutory Auditors on Financial Statements for FY22:

The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report on the Financial Statements for FY22.

Fraud Reported by Auditors:

During the year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Act.

Internal Auditors:

The Company had appointed M/s. P Chandrashekhar LLP and M/s BDO India LLP as Joint Internal Auditors for FY22 to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans and statutory requirements. For the year under review, the Internal Auditors have not submitted any material qualifications, reservations or adverse remarks or disclaimers.

Maintenance of Cost records:

The Company being a Housing finance Company is not required to maintain cost records as prescribed under section 148(1) of the Act.

Secretarial Standards:

During the year under review, the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

Secretarial Auditors' and Secretarial Compliance Report:

In accordance with Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries to conduct secretarial audit of the Company for FY22. The Secretarial Audit report has been annexed to this Report as **Annexure IV.** The Secretarial Auditors have not submitted any qualifications, reservations or adverse remarks or disclaimers. Further, the Secretarial Auditors have not reported any instances of fraud in terms of Section 143 (12) of the Act.

HUMAN RESOURCE:

The primary responsibility of Human Resource (HR) function at the Company is to equip the employees of the Company with the processes and services which will help them in order to achieve the goals of the Company. The HR team has built and nurtured a safe environment for the employees which has helped the employees to deliver optimum result while maintaining their work life balance.

The Company's total staff strength for FY22 is 851; out of which women employees constitute 233 (27.38%) of the total workforce. The Company has hired a Chief Technology Officer and a Chief Risk Officer and has further strengthened the Leadership team. The employees of the Company possess industry knowledge and have the required skill set to achieve the goals of the Company. Training and Development of the employees through digital channels continued to be the key area of focus this year as well. The Company has also introduced new online modules to meet the training needs of our workforce. The HR team also had conducted various employee engagement activities to promote collaboration and positivity amongst employees located across India especially during the stressed Covid pandemic period.

The Company has a detailed yearlong training and development program for all the new hires, which comprises classroom-training sessions, on the job training and a buddy program. Your Company also conducts various training on subject matters such as business operations, credit underwriting, insider trading, whistle blower mechanism, prevention of sexual harassment, information security training program, functional training, behavioral training and for other matters as and when required. Your Company also has a leadership development program for senior employees which is aimed to get them to the next level considering the need for succession planning. The Company has HR Policy, Parental leave policy, Job rotation policy and Equal opportunity policy which helps to create a safe and conducive working environment for its employees.

EMPLOYEE STOCK OPTION SCHEMES:

In order to enable the employees of the Company to participate in the future growth and success of the Company, Employee Stock Option Scheme 2012 Policy ("ESOP 2012") and Employee Stock Option Plan II ("ESOP II") which was adopted by the Company were ratified by the Shareholders at the last Annual General Meeting as required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014. During the year under the review, your Company has also introduced a new ESOP Scheme named Homefirst ESOP Scheme 2021 ("ESOP 2021") for the benefit of the employee. In terms of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures for FY22 with respect to all the ESOP policies have been provided on website of the Company at www.homefirstindia.com.

Employee Remuneration:

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided in **Annexure VI** to this Board's Report. Further, statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the ensuing Annual General Meeting. A copy of the statement may be obtained by shareholders by writing to the Company Secretary at the Registered & Corporate Office of the Company or at corporate @homefirstindia.com.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In accordance with the Act and the rules made thereunder the Company has adopted and implemented a policy in this behalf. The Policy is available on the website of the Company at the below mentioned http://www.homefirstindia.com/psh-policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During FY22, the Company had received one complaint and the same was appropriately resolved. The Annual Report as required under Section 21 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 has been submitted to the respective authority.

REGULATORY COMPLIANCE:

The Company has complied with the guidelines, circulars and directions issued by RBI from time to time. The Company has adopted all the Policies as recommended by regulatory authorities from time to time.

The Company has also been following directions / guidelines / circulars issued by Accounting Standards, Income Tax Act, 1961 and Ministry of Corporate Affairs from time to time, as applicable to the Company.

OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

During the year under review, there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. However, BSE Limited vide their email dated December 10, 2021 had levied a penalty of ₹29,500 (including GST) for delay in disclosure of asset cover in relation to Non-Convertible Debentures for the half year ended September 30, 2021 under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has made representation before BSE Limited for waiver of the same and is yet to receive any communication from them as on the date of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March'22, the Board of Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March'22, and of the profit of the Company for the year;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts of the Company on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE UNDER SECTION 43(a)(ii) OF THE ACT:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 54(1)(d) OF THE ACT:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 67(3) OF THE ACT:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme hence no information pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

DISCLOSURE UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:

During the year under review the Company has not made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016. Further there were no instances of one-time settlement for any loans taken from the Banks or Financial Institutions.

ACKNOWLEDGEMENT AND APPRECIATION:

Your Board of Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, National Housing Bank, the Ministry of Corporate Affairs, Securities and Exchange Board of India, the Government of India, Stock Exchanges and other Regulatory Authorities, Bankers, Lenders, Financial Institutions, Members, Credit Rating agencies, Customers of the Company for their continued support and trust. Your directors would like to express deep appreciation for the commitment shown by the employees in supporting the Company in achieving continued robust performance on all fronts.

In closing, I would like to thank all the investors as well as the communities we operate in who have reposed their trust in us and supported us in our journey.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Date: May 3, 2022
Place: Mumbai

Annexure I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
   - (a) Name(s) of the related party and nature of relationship: **N.A**
   - (b) Nature of contracts/ arrangements / transactions: **N.A**
   - (c) Duration of the contracts/ arrangements/ transactions: **N.A**
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A**
   - (e) Justification for entering into such contracts or arrangements or transactions: **N.A**
   - (f) Date of approval by the Board: **N.A**
   - (g) Amount paid as advances, if any: **N.A**
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A**

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr.	Particulars	Details		
1.	Name(s) of the related party	Actify Data Labs Private Limited	Perfios Software Solutions Private Limited	True North Enterprise Private Limited
2.	Nature of relationship	Entity under common control.	Entity with Common director	Entity under Common Control
3.	Nature of contracts/ arrangements/ transactions	Service Agreement.	Service Agreement	Reimbursement of Expenses
4.	Duration of the contracts /arrangements /transactions	One year	Five years	Not Applicable
5.	Salient terms of the contracts arrangements or transactions including the value, if any	i. Service Agreement has been entered with Actify Data Labs Private Limited ('Actify') for a period of Twelve Months. ii. Technology and other professional services to be provided by Actify to the Company. iii. Actify to provide resources for projects assigned by the Company. iv. The delivery timeline of each assignment shall be mutually agreed. v. During the year the total value of the transaction with Actify was for ₹1,700,000/-.	i. Service Agreement has been entered with Perfios Software Solutions Privat e Limited ('Perfios') for a period of Five years. ii. Software solutions and technological services to be provided by Perfios. iii. Perfios to provide online integration software to the Company. iv. The delivery timeline of each assignment shall be mutually agreed. v. During the year the total value of the transaction with Perfios was for ₹ 448,560/-.	i. True North Enterprise Private Limited ('True North') has appointed their employees to assist in projects and provide their support and insights on critical matters of the Company. ii. The Company had reimbursed True North for the remuneration paid to these employees in lieu of their contribution made during FY22. iii. During the year the total value of the transaction with True North was ₹ 6,313,933/-.

Sr.	Particulars	Details		
6.	Date(s) of approval by the Board, if any:	Approval granted by Board in its meeting held on May 3, 2021.	Approval granted by Board in its meeting held on May 3, 2021.	Approval granted by Board in its meeting held on May 3, 2021.
7.	Amount paid as advances, if any	NIL	NIL	NIL

Note: Actify Data Labs Private Limited ceased to be a Related Party w.e.f. December 22, 2021.

For and on behalf of the Board of Directors
Home First Finance Company India Limited

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Annexure II

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

1. **Title**

This policy shall be called the 'Policy on materiality of related party transactions and dealing with related party transactions' **(the "Policy").**

2. **Objective**

a. Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder (the "Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended **("SEBI Listing Regulations")** require companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

This policy is framed to endeavor to ensure due and proper compliance with the applicable provisions and provide guidance for entering into transaction with related party to ensure that proper procedure is defined and followed for approval / ratification and reporting of transactions as applicable, between the Company and any of its Related Parties.

3. Definitions:

a) "**Act" or "The Act"** shall means the Companies Act, 2013 and the Rules made thereunder (as amended/modified/re-enacted from time to time).

b) **"Arms' length transaction"** means a Transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Note: For determination of Arm's Length basis, guidance may be taken from the provision of Transfer Pricing under Income Tax Act, 1956.

c) **"Key Managerial Personnel" or "KMPs"** means Key Managerial Personnel as defined under the Companies Act and includes:

i. managing director, or chief executive officer or manager;
ii. the whole-time director;
iii. company secretary;
iv. chief financial officer;
v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
vi. such other officer as may be prescribed.

d) **"Material Related Party Transaction"** in relation to the Company means a Related Party Transaction which individually or taken together with previous transactions with a Related Party during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such limit as prescribed or amended by the SEBI Listing Regulations or the Companies Act, 2013 or any other Statutory Bodies.

e) Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company such limit as prescribed or amended by the SEBI Listing Regulations or the Companies Act, 2013 or any other Statutory Bodies.

f) **"Ordinary Course of Business"** means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, providing loan to subsidiaries/joint ventures/obtaining loan from holding companies in the normal routine in managing trade or business and is not a standalone transaction and includes any transaction carried out as per the Object Clause of Memorandum of Association and Articles of Association of the Company.

Note: The Company may take into account the frequency of the activity and its continuity carried out in a normal organized manner for determination what is in the ordinary course business.

i. **"Relative"** in relation to a related party shall have the same meaning assigned to it in Section 2(77) of the Act and rules prescribed there under and as per Regulation 2(1) (zd) of the SEBI Listing Regulations as amended from time to time, means anyone who is related to another, if

(i) they are members of a Hindu undivided family; or

(ii) they are husband or wife; or

(iii) one person is related to the another in the following manner, namely:

(A) father, includes step-father
(B) mother, includes step-mother
(C) son, includes step-son
(D) son's wife
(E) daughter
(F) daughter's husband
(G) brother includes step-brother
(H) sister includes step-sister

g) **"Related Party"** means a person or an entity, which is a related party under section 2(76) of the Companies Act, 2013 as amended from time to time or under applicable accounting standards and as per Regulation 2(1) (zb) of the SEBI Listing Regulations as amended from time to time.

Note: Reference and reliance may be placed on the clarification issued by the Ministry of Corporate Affairs, Government of India and other authorities from time to time on the interpretation of the term "Related Party".

h) **"Related Party Transactions"** means a transaction involving a transfer of resources, services or obligations between:
(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
i. payment of dividend;
ii. subdivision or consolidation of securities; iii. issuance of securities by way of a rights issue or a bonus issue; and
iv. buy-back of securities.
c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.

i) **"Transaction"** shall be construed to include single transaction or a group of transactions in a contract.

j) **"Material Modification"** in relation to a Related Party Transaction approved by the Audit Committee or a material related party

transaction approved by the Shareholders, as the case may be, material modifications means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 20% of transactions, in each case, over and above the approved limits.

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

4. **Disclosure by Directors**

Every director shall at the beginning of the financial year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of Relatives which are regarded as Related Party as per this Policy.

Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as Related Party according to this Policy.

5. **Identification of related parties and related party transactions**

a) Identification of related parties

The Company shall periodically identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed thereunder and SEBI Listing Regulations. Such periodicity shall not be more than one year.

b) Identification of related party transactions

The Company has formulated process for identification of related party transactions in accordance with Section 188 of the Act and SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

Each Director and Key Managerial Personnel is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.

6. **Determination of approval level based on nature of transaction**

I. **Audit Committee approval**

a. Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee or the Directors of the Board who has potential interest in any Related Party Transaction in terms of Rule 15(2) of the Companies (Meeting of Board and its Powers) Rules, 2014 shall not be present at the meeting whether physically or by electronic mode during the discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

b. All the transactions which are identified as Related Party Transactions should be preapproved by the Audit Committee before entering into such transaction.

c. The Audit Committee shall consider the following factors while deliberating the Related Party Transactions for its approval:

i. name of party and details explaining nature of relationship;
ii. duration of the contract and particulars of the contract and arrangement;
iii. nature of transaction and material terms thereof including the value, if any;
iv. manner of determining the pricing to ascertain whether the same is on Arm's Length Basis;

v. business rationale for entering into such transaction; and
vi. any other information relevant or important for the Board to take a decision on the proposed transaction.

d. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

i. Whether the terms of the Related Party Transaction are fair and on Arm's Length Basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

ii. Whether there are any compelling business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

iii. Whether the Related Party Transaction would affect the independence of an independent Director;

iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

v. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

vi. Whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, executive officer or other Related Party, the direct or indirect nature of the director's, key managerial personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

II. Board of Directors approval

All Related Party Transactions covered under Section 188 of the Act (which primarily excludes loans, investments and providing guarantee/security etc.) that are:

- not in the ordinary course of business, or
- in the ordinary course of business but not at arms' length or
- neither in the ordinary course of business nor at arms' length

shall require the prior approval of the Board of Directors at a Meeting of the Board.

Further, the transactions which require approval of the Board shall first be reviewed /approved by the Audit Committee. Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

III. **Shareholders' approval**

All Related Party Transaction which falls under first proviso to section 188 of the Act and exceeds the threshold limit as prescribed under rules made thereunder (as amended/modified from time to time) or material related party transactions and subsequent material modification under Regulation 23 of SEBI Listing Regulations shall be approved by the shareholders in the manner prescribed thereunder. All entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is party to the particular transaction.

7. **Review and Approval of Related Party Transactions:**

(a) All Related Party Transactions or changes therein must be reported by the Head of Accounts/Finance and to the Company Secretary and referred for the approval/review by the Audit Committee in accordance with this Policy.

(b) **Omnibus Approval:**

(i) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company in respect of the transactions which are repetitive in nature.

(ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

(iii) Such omnibus approval shall specify (a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into and (b) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5-10%).
In case where the Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for those kinds of transactions, subject to a financial value not exceeding ₹1 Crore per transaction or such other higher limit as may be prescribed under the applicable law from time to time.

(iv) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year or immediately succeeding meeting of the Audit Committee.

(v) Audit Committee shall review on a quarterly basis , the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

(vi) If prior approval of the Audit Committee / Board / Shareholders as the case may be, for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board / general meeting, if required, within 3 months of entering in the Related Party Transaction.

8. **Disclosures**

The Company shall disclose, in the Boards' report, transactions prescribed in Section 188 (1) of the Act with related parties, which are not in ordinary course of business or not on arm's length basis along with the justification for entering into such transaction.

9. **Related Party Transactions Not Approved Under This Policy**

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

10. **Compliance with RPT Policy**

a) Every person associated with RPT shall be accountable for complying with this RPT Policy that may be in force from time to time.

b) Director or KMP or any other employee, who had entered into or authorised the contract or arrangement in violation of the RPT policy and RPT framework shall be guilty of non-compliance.

c) In case of breach of this policy, Audit Committee and/or the Board of Directors may intimate appropriate action against the person/s responsible.

11. **Administrative Measure**

The Audit Committee of the Company, subject to supervision of the Board, shall be the Competent Authority for investigating and taking appropriate actions/steps for prevention or remedy of any breach and/or default in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulation.

12. **Interpretation**

Subject to the superintendence of the Board, this Policy shall be interpreted and administered by the Audit Committee.

13. **Process or Standard Operating Process**

The Head of Finance/Accounts form/adopt a Standard Operating Process (SOP) as guidance for related party transactions and all the employees and concern persons are required to follow the said SOP.

14. **Exemption**

Transactions which are governed under the other applicable provisions of the Companies Act, 2013 like Section 185, 186 or 187 of the Companies Act, 2013, shall govern by the respective applicable provisions of the Act.

15. **Policy Review**

In case of any subsequent changes in the provisions of the Act and the Rules framed thereunder, the Act and its Rules would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. The Board shall have the right to amend the Policy from time to time, based on recommendations of Audit Committee. The Policy shall be reviewed as and when required, However, it shall be reviewed earlier if need arises for the same and/ or under special circumstances, for example a change in law.

Annexure III

Report of the Directors on Corporate Governance for FY22

Company's philosophy on Corporate Governance

Corporate governance offers a comprehensive and interdisciplinary approach for the Company's management, operation and control. It is the use of best management practices, strict compliance to the letter and spirit of the law and adherence to superior ethical standards. Corporate governance is essential to the company's survival and is needed to create a corporate culture of transparency, accountability and disclosure.

Your Company's corporate governance framework incorporates a system of robust checks and balances between the prominent players; namely, the Board, its committees, the management, auditors and various other stakeholders. The Board of Directors and management of your Company place a greater emphasis on maintaining oversight and integrity in governing the Company and conducting business operations.

The Corporate Governance practices followed by us are commensurate with the size of the Company and in the best interest of our shareholders, employees, consumers, the community and other stakeholders. The Company has adopted improved and efficient governance structures to ensure quality decision-making, facilitate effective succession planning for senior management and enhance the long-term prosperity.

We also believe in formulating better regulatory and self-regulatory corporate governance frameworks and enforcement mechanisms. Our corporate governance framework ensures that it makes timely, adequate and appropriate disclosures and disseminates factual and accurate information.

The Board of Directors

The Board holds a fiduciary position and is entrusted with the responsibility to act in the best interests of the Company and ensure value creation for all. Through the Governance mechanism in the Company, the Board along with its committees assumes its responsibility towards all its stakeholders by ensuring transparency, fair play and independence in its decision making.

The contribution of the Board is critical for ensuring appropriate guidance with regard to leadership, vision, strategy, policies, monitoring, supervision, accountability to shareholders and other stakeholders, and for achieving greater levels of performance on a sustained basis as well as adherence to the best practices of corporate governance.

We further endorse the importance of a diverse and more inclusive Board, which brings a valuable range of outlooks, opinions and suggestions regarding decision-making and problem-solving. Board diversity can open a path to more inclusive and collective corporate governance, positively impact a company's culture, and help keep pace with an evolving market and consumer base.

Composition and Category of the Board of Directors:

The composition of the Board of Directors is in conformity with the SEBI (Listing Regulations and Disclosure Requirements) Regulations 2015 ("Listing Regulation") and the Companies Act, 2013 ("Act").

As at March 31, 2022, the Board of Directors comprised of 9 Directors, of whom 4 were Non-Executive Independent Directors (Including the Chairman and 2 Women Directors), 4 were Non-Executive Nominee Directors representing investors and the Managing Director & Chief Executive Officer:

Directors' Report

Name of Director	DIN	Category	No of Equity Shares held	Qualification / Experience	No of Other Directors hips in listed entities	Membership in Committees*	
						Member	as Chairperson
Mr. Deepak Satwalekar	00009627	Non-Executive Chairman and Independent Director	-	Bachelors in Mechanical Engineering and MBA (more than 36 years)	2	2	2
Ms. Geeta Dutta Goel	02277155	Independent Woman Director	-	Bachelors in Commerce and PGDM (over 27 years)	1	1	-
Mr. Anuj Srivastava	09369327	Independent Director		Bachelors in Technology and MBA (over 19 years)	-	-	-
Ms. Sucharita Mukherjee	02569078	Independent Woman Director	-	Bachelors in Economics and PGDM (over 21 years)	1	4	3
Mr. Divya Sehgal	01775308	Nominee Director (For True North Fund V LLP)	-	Bachelors in Technology and PGDM (over 26 years)	-	-	-
Mr. Maninder Singh Juneja	02680016	Nominee Director (For True North Fund V LLP)	-	Bachelors in Civil Engineering and PGDM (over 27 years)	-	2	-
Mr. Vishal Vijay Gupta	01913013	Nominee Director (For Bessemer India Capital Holdings II Ltd)	-	Bachelors in Commerce, Chartered Accountant and PGDM (over 16 years)	-	-	-
Mr. Narendra Ostawal	06530414	Nominee Director (for Orange Clove Investments B.V.)	-	Chartered Accountant and PGDM (over 16 years)	1	-	-
Mr. Manoj Viswanathan	01741612	Managing Director & Chief Executive Officer ("MD & CEO")	803383 (0.92%)	Bachelors in electrical and electronics and PGDM (over 25 years)	-	1	-

*For the purpose of considering the Committee Memberships and Chairpersonship's for a Director, Audit Committee and the Stakeholders' Relationship Committee of Listed Companies including our Company has been considered.

Other Directorships of Directors in listed entity

Name of Director	Name of the listed Entity	Category of Directorship
Mr. Deepak Satwalekar	1. Asian Paints Limited	Non-Executive - Independent Director, Chairman
	2. Wipro Limited	Non-Executive - Independent Director
Ms. Geeta Dutta Goel	1. Equitas Small Finance Bank Limited	Non-Executive Independent Director
Mr. Anuj Srivastava	-	-
Ms. Sucharita Mukherjee	1. CreditAccess Grameen Limited	Non-Executive –Independent Director
Mr. Divya Sehgal	-	-
Mr. Maninder Singh Juneja	-	-
Mr. Vishal Vijay Gupta	-	-
Mr. Narendra Ostawal	1.Computer Age Management Systems Limited	Non - Executive - Nominee Director
Mr. Manoj Viswanathan	-	-

None of Directors hold directorship in more than ten public companies and do not serve as a Director in more than seven listed companies, across all their directorships held, including that in the Company. Further, none of the Directors of the Company is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director.

The Company has a Non-Executive Independent Director as a Chairman. The role of the Chairman and the MD & CEO are distinct and separate. The Managing Director & CEO of the Company does not serve as an Independent Director in any listed company.

None of the directors are inter-se related to each other. The Independent Directors are independent of the management. All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations.

Changes in Board Composition:

The changes in the Board Composition for the FY22 under review are here as under:

Sr.	Name of the Director	Nature of change	Effective date
1.	Ms. Sujatha Venkatramanan	Resignation as Non-Executive Independent Director	October 31, 2021
2.	Mr. Sakti Prasad Ghosh	Resignation as Non-Executive Independent Director	October 31, 2021
3.	Ms. Geeta Dutta Goel	Appointment as Non-Executive Independent Director	November 01, 2021
4.	Mr. Anuj Srivastava	Appointment as Non-Executive Independent Director	November 01, 2021
5.	Mr. Rajagopalan Santhanam	Resignation as Nominee Director	January 31, 2022
6.	Ms. Sucharita Mukherjee	Appointment as Non-Executive Independent Director	February 01, 2022

The appointments of Non-Executive Independent Directors were regularized by the members of the Company.

The Company has furnished to National Housing Bank a quarterly statement on change of directors, and a certificate from the Managing Director and CEO that fit and proper criteria in selection of the directors has been followed.

Chart setting out skills/expertise/competence of the Board:

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. As required under Schedule V of the Listing Regulations, the below matrix summarizes a mix of skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

	Parameters	Mr. Deepak Satwalekar	Ms. Geeta Dutta Goel	Mr. Anuj Srivastava	Ms. Sucharita Mukherjee	Mr. Maninder Singh Juneja	Mr. Vishal Vijay Gupta	Mr. Divya Sehgal	Mr. Narendra Ostawal	Mr. Manoj Viswanathan
1.	Industry Experience	√	√	-	√	√	-	√	-	√
2.	Financial Expertise	√	√	-	√	√	√	√	√	√
3.	Consumer Behavior	√	√	√	-	√	-	√	-	√
4.	Legal and Compliance	-	√	-	-	-	-	-	-	√
5.	Corporate Governance	√	√	-	√	-	√	√	√	√
6.	Strategy and Decision Making	√	√	√	√	√	√	√	√	√
7.	ALM and Risk Management	√	√	-	√	√	-	√	√	√
8.	Information Technology and Cyber Security	-	-	√	√	√	√	√	-	√

Responsibilities of the Board

The Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include, but does not restrict to the following:

- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behavior and compliance of laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies and performance.

Board Proceedings

The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to all the Directors well in advance, to enable them to plan their schedule and to facilitate active participation in the meetings. In the event of any special and urgent business need, the Board's approval is taken by passing resolutions by circulation, in accordance with all the applicable laws, which are noted and confirmed in the succeeding Board Meeting.

Participation in the Board / Committee meetings is facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by directors located in other locations and in view of the precautionary measures taken for COVID-19, all the meetings of the Board and Committees for the FY22 were held through video conferencing.

The notice of the Board / Committee meetings is circulated well in advance and in accordance with all the applicable laws. All the relevant notes and information is incorporated in the agenda itself, to enable the members to take informed and conscious decisions.

The Board meets at regular intervals to discuss and decide on the business policy and strategy and other businesses. During the year under review, 5 meetings of the Board of Directors of the Company were convened and held on May 3, 2021, July 7, 2021, July 29, 2021, October 25, 2021 and January 27, 2022. All the meetings were held in a manner that not more than 120 days lapsed between two consecutive meetings. The required quorum was present at all the above meetings.

The details of attendance of each Directors at the Board meetings held during the FY22 is given below. The attendance of the directors at the above-mentioned board meetings and the Annual General Meeting (AGM) held on August 5, 2021, along with the sitting fees paid to them are listed below:

Name of Director	No. of Board Meetings convened during their tenure	No. of meetings attended	Sitting Fees paid (in ₹)	AGM Y=attended N=not attended
Mr. Deepak Satwalekar	5	5	500,000/-	Y
Mr. Sakti Prasad Ghosh	4	4	400,000/-	Y
Ms. Sujatha Venkatramanan	4	4	400,000/-	Y
Ms. Geeta Dutta Goel	1	1	-	N.A.
Mr. Anuj Srivastava	1	1	100,000/-	N.A.
Ms. Sucharita Mukherjee	-	-	-	N.A.
Mr. Rajagopalan Santhanam	5	5	-	Y
Mr. Divya Sehgal	5	4	-	Y
Mr. Maninder Singh Juneja	5	5	-	Y
Mr. Vishal Vijay Gupta	5	4	-	N
Mr. Narendra Ostawal	5	5	-	Y
Mr. Manoj Viswanathan	5	5	-	Y

Membership of Directors in Board Committees during FY22:

Name of Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Risk Management Committee	IT Strategy Committee	Corporate Social Responsibility Committee
Mr. Deepak Satwalekar	-	-	-	-	-	-
Mr. Sakti Prasad Ghosh	M	C	M	-	-	C
Ms. Sujatha Venkatramanan	C	M	-	M	C	-
Ms. Geeta Dutta Goel	M	C	-	-	-	C
Mr. Anuj Srivastava	M	M	-	-	C	-
Ms. Sucharita Mukherjee	C	-	C	M	-	M
Mr. Rajagopalan Santhanam	M	-	-	-	-	M
Mr. Divya Sehgal	-	-	-	-	-	-
Mr. Maninder Singh Juneja	M	-	M	C	-	-
Mr. Vishal Vijay Gupta	-	-	-	-	-	-
Mr. Narendra Ostawal	-	M	-	M	-	-
Mr. Manoj Viswanathan	-	-	M	M	M	M

1. Mr. Sakti Prasad Ghosh and Ms. Sujatha Venkatramanan ceased to be Non-Executive Independent Directors of the company with effect from October 31, 2021.
2. Ms. Geeta Dutta Goel and Mr. Anuj Srivastava were appointed as the Non-Executive Independent Directors of the company with effect from November 1, 2021.
3. Mr. Rajagopalan Santhanam ceased to be a Nominee Director with effect from January 31, 2022.
4. Ms. Sucharita Mukherjee was appointed as a Non-Executive Independent Director with effect from February 1, 2022.

In accordance with the changes in the Board, the Board committees were reconstituted with effect from their date of appointment.

Board Diversity:

To ensure that a fair and transparent process is in place to encourage diversity in thought, knowledge, skills, experience, age and gender, perspective, functional and industry experience, cultural and geographical background, the Board has adopted the "Policy to promote diversity on the Board of Directors" as recommended by the Nomination and Remuneration Committee.

We recognize the benefits of having a diverse Board, and see increasing diversity at Board level as an essential element in maintaining a competitive advantage.

The present Board comprises of adequate number of members with diverse backgrounds that best serve the governance and business requirements of the Company. The directors are persons of eminence in their respective fields and bring with them a plethora of skills and experience that add value to the performance of the Board.

Role of Independent Directors

The role of Independent Directors is important in the decision-making process of the board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors bring along an extensive experience, knowledge and judgment in the field of accounts, housing, credit & risk, finance etc. This wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced perspectives. All Independent Directors have committed and allocated sufficient time to perform their duties effectively.

Declaration of Independence:

All the Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and regulation 16(1)(b) and 25 of the SEBI Listing Regulations. The Independent Directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors maintained by Indian Institute of Corporate Affairs.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations. Formal and detailed letters of appointment have been issued to the Independent Directors. The terms and conditions of appointment of Independent Directors are available on https://homefirstindia.com/files/Terms-Conditions-for-Appointment-of-Independent-Director.pdf

In the opinion of the Board, the Independent Directors are independent of the management. Mr. Sakti Prasad Ghosh and Ms. Sujatha Venkatramanan independent directors resigned before the expiry of their tenure due to advanced age and professional commitments respectively and they confirmed that there are no other material reasons other than those mentioned in their resignation.

Familiarization Programme:

Your Company, on an ongoing basis strives to keep the Board, specifically the Independent Directors informed and updated with matters related to the industry and business environment in which we operate, our business model, risk metrices, mitigation and management, ever evolving governing regulations, information technology including cyber security, their roles, rights and responsibilities and any other major developments and updates.

All new Independent Directors are taken through a detailed induction and familiarization programme, that covers the history, background, cultures, values, organizational structures, board procedures and overview of the business operations of the Company. The Company has also provided directors with a reference manual which inter alia covers the roles, functions, powers and duties of the directors, disclosures and declarations to be submitted by directors and various codes and policies of the Company.

The induction and ongoing programmes enable the Independent Directors to take better informed and conscious decisions, in the best interests of the stakeholders of the Company.

The details of familiarization programme imparted to the Independent Directors and the policy of the Company are available on the Company's website at https://homefirstindia.com/files/Familiarisation-Programme-of-the-Indpendent-Directors.pdf

Separate Independent Directors Meeting:

The Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management to discuss all such issue as they may consider relevant. During the year under review, the meeting of Independent Directors was held on March 21, 2022 at which all the Independent Director were present.

At the said meeting, the Independent Directors considered the following:

1. Reviewed the performance of Non-Independent Directors and the Board as a whole.
2. Reviewed the performance of Mr. Deepak Satwalekar, Chairman of the Company, taking into account the views of all the Directors who had given their rating in the evaluation process.
3. Assessed the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

The details of the meeting and sitting fees paid is mentioned as below:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting fees paid (in ₹)
Mr. Deepak Satwalekar	1	1	100%	100,000/-
Ms. Geeta Dutta Goel	1	1	100%	-
Mr. Anuj Srivastava	1	1	100%	100,000/-
Ms. Sucharita Mukherjee	1	1	100%	100,000/-

Committees of the Board

To enable better and focused decision making for the Company, the Board Committees are set up under the formal approval of the Board and with clearly defined roles. The Board Committees focus on specific areas and make informed decisions within the framework of delegated authority, as well as make specific recommendations to the Board on matters within their areas or purview. The Committees' decisions and recommendations are presented to the Board for information or approval, as appropriate.

Your Company has seven Board level Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Committee, Risk Management Committee and IT Strategy Committee.

The Board has accepted all the recommendations made by the various Committees. The composition and functioning of these board committees is in compliance with the applicable provisions of the Companies Act, 2013, Listing Regulations and the Master Directions issued by Reserve Bank of India.

Audit Committee:

The Audit Committee has been constituted in terms of provisions of Section 177 of the Companies Act, 2013 Act and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations. The composition of the Committee is in adherence to provisions of the Act, SEBI Listing Regulations and the RBI Master Directions for Housing Finance Companies.

All the Members of the Committee are financially literate and possess strong accounting and financial management expertise. The meetings of Audit Committee are attended by the Nominee Director, Managing Director & CEO, Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary of the Company acts as Secretary to the Committee. The Board of Directors have accepted and implemented the recommendations of the Audit Committee, whenever provided by the Committee. As on March'22, the Company has a qualified and independent Audit Committee comprising of 3 Non-Executive Directors, 2 of which are Non-Executive Independent Directors. The Chairperson of the Audit Committee is an Independent Director.

Composition:

The members of the Audit Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Ms. Sucharita Mukherjee	Independent Director	Chairperson
2.	Ms. Geeta Dutta Goel	Independent Director	Member
3.	Mr. Maninder Singh Juneja	Nominee Director	Member

Terms of reference:

The terms of reference of the Audit Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
   (b) Changes, if any, in accounting policies and practices and reasons for the same;
   (c) Major accounting entries involving estimates based on the exercise of judgment by management;
   (d) Significant adjustments made in the financial statements arising out of audit findings;
   (e) Compliance with listing and other legal requirements relating to financial statements;
   (f) Disclosure of any related party transactions; and
   (g) Modified opinion(s) in the draft audit report.
6. Laying down the criteria for granting omnibus approval in accordance with the Company 'policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
7. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
9. Approval or any subsequent modifications of transactions of the Company with related parties provided that the audit committee may take omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
10. Scrutinizing of inter-corporate loans and investments;
11. Valuing of undertakings or assets of the Company, wherever it is necessary;
12. Evaluating of internal financial controls and risk management systems;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussing with internal auditors on any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. Reviewing the functioning of the whistle blower mechanism;
21. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority.
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e., April 1, 2019, and henceforth.

Powers of the Audit Committee:

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of the financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
   (ii) annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

Audit Committee Meetings, Attendance and Quorum:

During the year under review, the Committee met 4 times - May 3, 2021, July 28, 2021, October 25, 2021 and January 27, 2022. The required quorum of 2 Members (with at least 2 Independent Directors) was present at all the meetings. The Company Secretary acted as Secretary to all the Committee meetings. The detailed attendance and sitting fees paid for the said meetings are given below:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (In ₹)
Mr. Sakti Prasad Ghosh	3	3	100%	300,000/-
Ms. Sujatha Venkatramanan	3	3	100%	300,000/-
Mr. Rajagopalan Santhanam	4	4	100%	-
Ms. Geeta Dutta Goel	1	1	100%	-
Mr. Anuj Srivastava	1	1	100%	100,000/-
Ms. Sucharita Mukherjee	-	-	-	-
Mr. Maninder Singh Juneja	-	-	-	-

NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee has been constituted in terms of the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations. The committee is chaired by Non-Executive Independent Director. The Committee comprises of 3 Directors as its members, all of them being Non-Executive Directors, 2 of which are Non-Executive Independent Directors. The composition of the Committee is in adherence to the provisions of Act and SEBI Listing Regulations. The Company Secretary of the Company acts as Secretary to the Committee.

Composition:

The members of the Nomination and Remuneration Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Ms. Geeta Dutta Goel	Independent Director	Chairperson
2.	Mr. Anuj Srivastava	Independent Director	Member
3.	Mr. Narendra Ostawal	Nominee Director	Member

Terms of reference:

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act and Part D of Schedule II of the Listing Regulations:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors and key managerial personnel;
2. Evaluation of balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of description of the roles and capabilities required of an independent director;
3. For the purpose of identifying suitable candidates:
   a. availing the services of any external agency, if required;
   b. considering candidates from a wide range of backgrounds, with due regard to the diversity and
   c. consideration of the time commitment by the candidates.
4. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
5. Devising a policy on Board diversity;
6. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
7. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Analyzing, monitoring and reviewing various human resource and compensation matters;
9. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
13. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and

Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

14. Performing such other activities as may be delegated by the Board and/or specified/ provided under the Companies Act or the Listing Regulations, or by any other regulatory authority";
15. Recommend to the board, all remuneration, in whatever form, payable to senior management and
16. Performing such other functions as may be required for the performance of any of the above duties.

NRC Meetings, Attendance and Quorum:

During the year under review, the Committee metfive times – April 23, 2021, July 23, 2021, October 25, 2021 December 15, 2021 and January 27, 2022. The required quorum was present at the meeting.

The detailed attendance and sitting fees paid for the said meetings are given below:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (In ₹)
Mr. Sakti Prasad Ghosh	3	3	100%	300,000/-
Ms. Sujatha Venkatramanan	3	3	100%	300,000/-
Mr. Narendra Ostawal	5	5	100%	-
Ms. Geeta Dutta Goel	2	2	100%	-
Mr. Anuj Srivastava	2	2	100%	200,000/-

Performance Evaluation

In terms of the requirements of the Companies Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees and Individual Performances of the Directors.

The Nomination and Remuneration Committee, has established a manner for performance evaluation of directors based on parameters such as role and contribution by a director, experience and expertise, ability to constructively challenge the perspective of others, integrity and confidentiality, and independence of behaviour and judgement. The Company completed the Board Evaluation cycle during the year, which included the evaluation of the Board as a whole, its committees, and individual performance evaluation of Directors. The aforementioned manner of performance evaluation is as per the provisions of the Act and SEBI Listing Regulations. The above manner is based on the Guidance Note on Board Evaluation issued by the SEBI Circular no. SEBI/HO/ CFD/ CMD/CIR/ P/ 2017 /004 dated January 05, 2017.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Board as a whole, the Chairman and the Non-independent Directors was carried out by the Independent Directors at their separate meeting held on March 21, 2022.

The performance evaluation criteria for Independent Directors included the criteria formulated by the NRC that inter alia includes- (i) Qualifications (ii) Experience (iii) Knowledge and Competency (iv) Availability and Attendance (v) Independence in views and Judgement.

The Board expressed its satisfaction on the manner, implementation and compliance of the performance evaluation carried out by the Company.

Nomination and Remuneration Policy

On recommendation of the Nomination and Remuneration Committee, the Board had adopted a Nomination and Remuneration policy. This policy, inter alia, provides (a) the role of the Nomination and Remuneration Committee (b) policy on remuneration of directors, key managerial personnel and other employees. The policy is directed towards a philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting

short and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid policy is as per as per the provisions of the Act read with applicable Rules and Regulations under the Act and SEBI Listing Regulations.

The remuneration paid to the Directors is in conformity with the Remuneration Policy of the Company. Remuneration Policy can be accessed at the website of the Company https://homefirstindia.com/files/NominationandRemunerationPolicy.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility ('CSR') Committee has been constituted by the Board of Directors with powers, inter alia, to make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or through other reputed Non-Governmental Organisation, of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR initiatives.

Composition:

The Corporate Social Responsibility (CSR) Committee was formed in accordance with Section 135 of the Companies Act, 2013. The Chairperson of the Committee is an Independent Director.

The members of the CSR Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Ms. Geeta Dutta Goel	Independent Director	Chairperson
2.	Ms. Sucharita Mukherjee	Independent Director	Member
3.	Mr. Manoj Viswanathan	Managing Director & CEO	Member

Terms of reference:

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;
2. To recommend the amount of expenditure to be incurred on the CSR activities, which is to be at least 2% of the average profit of the Company in the three immediately preceding financial years;
3. To monitor the CSR Policy and its implementation by the Company from time to time; and
4. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

CSR Meetings, Attendance and Quorum:

During the year under review, the Committee met twice i.e., July 22, 2021 and February 8, 2022. The required quorum was present at the meetings. The details of participation of members and the sitting fees paid is as follows:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (In ₹)
Mr. Sakti Prasad Ghosh	1	1	100%	100,000/-
Mr. Rajagopalan Santhanam	1	1	100%	-
Mr. Manoj Viswanathan	2	2	100%	-
Ms. Geeta Dutta Goel	1	1	100%	-
Ms. Sucharita Mukherjee	1	1	100%	100,000/-

The composition of the CSR Committee, the CSR Policy and projects approved by the Board are available on the website of the Company and can be accessed at https://homefirstindia.com/investor-relations/

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The Stakeholders Relationship Committee has been constituted to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders, in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI Listing Regulations. At present the Committee comprises of 3 (three) Directors. Ms. Sucharita Mukherjee is the Chairperson of the Committee. Mr. Shreyans Bachhawat, Company Secretary of the Company, is the Compliance Officer and also acts as Secretary to the Committee.

Composition:

The members of the Stakeholders Relationship Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Ms. Sucharita Mukherjee	Independent Director	Chairperson
2.	Mr. Manoj Viswanathan	Managing Director & CEO	Member
3.	Mr. Maninder Singh Juneja	Nominee Director	Member

Terms of Reference:

1. Consider and resolve grievances of security holders (includes shareholders, debenture holders or any other security holder) of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. To approve, register, refuse to register transfer or transmission of shares and other securities;
7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. Allotment and listing of shares;
9. Approval of transfer or transmission of shares, debentures or any other securities;
10. To authorize affixation of common seal of the Company;
11. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Company;
12. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
13. To dematerialize or rematerialize the issued shares;
14. Ensure proper and timely attendance and redressal of investor queries and grievances;
15. Carrying out any other functions contained in the Companies Act, 2013, the SEBI Listing Regulations and/or equity listing agreements (if applicable), as and when amended from time to time; and

To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

SRC Meeting, Attendance and Quorum:

During the year under review, the Committee met once on March 16, 2022 with all the members in attendance to discuss the various aspects of interests of the stakeholders. The details of participation of members and the sitting fees paid is as follows:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (In ₹)
Ms. Sucharita Mukherjee	1	1	100%	100,000/-
Mr. Maninder Singh Juneja	1	1	100%	-
Mr. Manoj Viswanathan	1	1	100%	-

The primary function of the Stakeholders Relationship Committee is to consider and resolve various aspect of interest of the security holders of the Company. The equity shares and debentures issued by the Company are in dematerialized form. Kfin Technologies Limited has been appointed by the Company as the Registrar and Share Transfer Agent of the Company. The services rendered by the RTA meets the service standards as adopted by the Company.

During the period under review, no complaints were received by the Registrar and Share Transfer Agent:

Sr. No	Nature of Complaint	Complaints received during the year	Complaints not solved to the satisfaction of shareholders	Pending complaints as on March'22
1.	Non-receipt of Annual Report	0	0	0
2.	Non-receipt of Dividend warrant	0	0	0
3.	Non-receipt of securities after transfer	0	0	0
4.	Complaint received through SEBI	0	0	0
	Total	**0**	**0**	**0**

Asset Liability Management Committee (ALCO):

The ALCO is constituted in accordance with the guidelines issued by the Reserve Bank of India. It keeps close watch on the asset and liability mismatches to ensure that there are no imbalances or disparities on either side of the balance sheet. The Company follows a cautious approach for managing liquidity and ensures availability of adequate liquidity buffers to overcome mismatches in case of an agitated business environment. It also reviews the liquidity position based on future cash flows. ALCO lays down policies and quantitative limits relating to assets and liabilities, liquidity, interest rates and investments.

Composition:

ALCO is led by the MD & CEO and senior officials of the Company and functions under the supervision of the Board of Directors. During the year under review, the ALCO met 4 times on June 7, 2021, September 29, 2021, December 22, 2021 and March 15, 2022. The required quorum was present at all the above meetings.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee as on March'22 was as under:

Sr No	Name	Category	Designation
1.	Mr. Manoj Viswanathan	Managing Director & CEO	Chairman
2.	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
3.	Mr. Ajay Khetan	Chief Business Officer	Member
4.	Mr. Gaurav Mohta	Chief Marketing Officer	Member
5.	Ms. Vilasini Subramaniam	Head Strategic Alliance	Member

The broad terms of reference of the Committee inter-alia includes:

1. Monitoring the asset liability composition of the Company's business,
2. Determining actions to mitigate risks associated with the asset liability mismatches,
3. Approve proposals and detailed terms and conditions of borrowings from banks,
4. Reviewing the borrowing program of the Company,
5. Review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities, etc.
6. Product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peers for the similar services/product, etc. monitoring the risk levels of the Company;
7. Review the results of and progress in implementation of the decisions made in the previous meetings and articulate the current interest rate view of the NBFC and base its decisions for future business strategy on this view;
8. To decide on source and mix of liabilities or sale of assets;
9. To develop a view on future direction of interest rate movements and decide on funding mixes between fixed vs floating rate funds, wholesale vs retail deposits, money market vs capital market funding, domestic vs foreign currency funding, etc.

Risk Management Committee:

The Risk Management Committee has been constituted in accordance with Regulation 21 read with Part D Schedule II of the Listing Regulations and the Master Direction- NBFC – HFC (Reserve Bank) Directions, 2021.

The Committee's role and responsibility have been defined by the Board of Directors, and it has been delegated the monitoring and review of the risk management plan, as well as other functions, which specifically includes cyber security.

Composition:

The members of the Risk Management Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Mr. Maninder Singh Juneja	Nominee Director	Chairman
2.	Ms. Sucharita Mukherjee	Independent Director	Member
3.	Mr. Narendra Ostawal	Nominee Director	Member
4.	Mr. Manoj Viswanathan	Managing Director & CEO	Member
5.	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
6.	Mr. Ajay Khetan	Chief Business Officer	Member
7.	Mr. Ashishkumar Darji	Chief Risk Officer	Member

The terms of reference of the Committee inter-alia includes:

1. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly,
   b) ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
      Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

RMC Meetings, Attendance and Quorum:

During the year under review, the Risk Management Committee met twice - October 4, 2021 and February 8, 2022. The gap between both the meetings did not exceed one hundred and eighty days on a continuous basis. The required quorum was present at all the above meetings. The details of participation of members and the sitting fees paid is as follows:

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Mr. Maninder Singh Juneja	2	2	100%	-
Ms. Sujatha Venkatramanan	1	1	100%	-
Ms. Sucharita Mukherjee	1	1	100%	100,000/-
Mr. Narendra Ostawal	2	2	100%	-
Mr. Manoj Viswanathan	2	2	100%	-
Mr. Ajay Khetan	2	2	100%	-
Ms. Nutan Gaba Patwari	2	2	100%	-
Mr. Ashishkumar Darji	1	1	100%	-

Information Technology Strategy Committee:

The IT Strategy Committee has been constituted in accordance with the Master Direction- Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India dated June 8, 2017.

The Committee shall work in partnership with other Board committees and Senior Management to provide inputs to them. It shall also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

Composition:

The members of the IT Strategy Committee as on March'22 were:

Sr No	Name	Category	Designation
1.	Mr. Anuj Srivastava	Independent Director	Chairperson
2.	Mr. Manoj Viswanathan	Managing Director & CEO	Member
3.	Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
4.	Mr. Ajay Khetan	Chief Business Officer	Member
5.	Mr. Gaurav Mohta	Chief Marketing Officer	Member
6.	Ms. Vilasini Subramaniam	Head- Strategic Alliance	Member
7.	Mr. Dharmvir Singh	Chief Technology Officer	Member
8.	Mr. Devendra Mani	Head-Operations	Member

The terms of reference of the Committee are as follows:

1. To ensure that management has an effective IT strategic planning process and is aligned with business strategy.
2. To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining organization's growth and within the acceptable budget.
3. To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
4. To oversee implementation of processes and practices and ensuring that maximum value is delivered to business.
5. To approve IT strategy and policy documents.
6. To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance.
7. To ensure there is appropriate framework of information security risk assessment within the organization.
8. To ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions.
9. To ensure that a comprehensive risk assessment of Home First's IT system is carried out on yearly basis.

Meeting and its Quorum:

During the year under review the committee met 2 times on September 27, 2021 and on March 23, 2022. The meetings were held in a way that not more than six months elapsed between them. The required quorum was present in all the meetings.

Names of Directors	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Mr. Anuj Srivastava	1	1	100%	100,000/-
Ms. Sujatha Venkatramanan	1	1	100%	-
Mr. Manoj Viswanathan	2	2	100%	-
Ms. Nutan Gaba Patwari	2	2	100%	-
Mr. Ajay Khetan	2	2	100%	-
Mr. Gaurav Mohta	2	2	100%	-
Ms. Vilasini Subramaniam	2	2	100%	-
Mr. Dharmvir Singh	1	1	100%	-
Mr. Devendra Mani	1	1	100%	-

Remuneration of Directors:

The remuneration paid to the Directors of the Company is in accordance with the applicable provisions of the Companies Act, the SEBI Listing Regulations and in line with the remuneration policy of the Company.

The remuneration policy is available at the website of the Company and can be accessed at https://homefirstindia.com/files/NominationandRemunerationPolicy.pdf

The details of remuneration of Directors are provided in Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at www.homefirstindia.com

a. Pecuniary relationship and/or transactions of the Non-Executive Directors with the listed entity:

During the year under review, there were no pecuniary relationships or transactions with the Non-Executive Directors with the Company, apart from remuneration paid by way of commission and sitting fees to the Independent Directors.

The remuneration for non-executive directors consists of sitting fees and commission. The criteria for payment of the annual commission to non-executive directors is based on the performance of the Company as well as that of the individual non-executive director. The commission payable to non-executive directors was recommended by NRC and approved by the Board and is within the overall limits as approved by the shareholders of the Company. However, the Nominee Directors were not paid remuneration in FY22. No shares or convertible instruments are held by the Non-Executive Directors.

The details of remuneration paid to Non-Executive Directors is as hereunder:

Name of the Director	Fee for attending Board /Committee Meetings (in ₹)	Commission (in ₹)	Other	Total (in ₹)
Independent Directors				
Mr. Deepak Satwalekar	600,000/-	2,200,000/-	-	2,800,000/-
Mr. Sakti Prasad Ghosh	1,100,000/-	500,000/-	-	1,600,000/-
Ms. Sujatha Venkatramanan	1,000,000/-	500,000/-	-	1,500,000/-
Ms. Geeta Dutta Goel *	-	-	-	-
Mr. Anuj Srivastava **	600,000/-	600,000/-	-	1,200,000/-
Ms. Sucharita Mukherjee	400,000/-	450,000/-	-	850,000/-
Other Non-Executive Directors				
Mr. Rajagopalan Santhanam	-	-	-	-
Mr. Vishal Vijay Gupta	-	-	-	-
Mr. Maninder Singh Juneja	-	-	-	-
Mr. Divya Sehgal	-	-	-	-
Mr. Narendra Ostawal	-	-	-	-
Total	**3,700,000/-**	**4,250,000/-**	**-**	**7,950,000/-**

*Ms. Geeta Dutta Goel vide her letter dated January 17, 2022 had expressed her intention to not draw remuneration in any form for FY22.

**Mr. Anuj Srivastava has requested the Company to make payment of his remuneration including remuneration by way of commission on yearly basis which was payable as on March'22.

Remuneration of Managing Director & CEO ('MD & CEO')

The elements of the remuneration package of MD & CEO comprises salary and performance linked incentive along with the other benefits and allowances as per the policy of the Company. The same is decided by the Nomination and Remuneration Committee and approved by the Board and is within the overall limits as approved by the shareholders at the General Meeting. Further, Mr. Viswanathan is not eligible for any severance fees.

Details of remuneration paid to Mr. Manoj Viswanathan, MD & CEO, for FY22:

Sl. No.	Particulars of Remuneration	Total Amount (in ₹)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act,1961	10,589,502/-
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income -tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	
	- others, specify	
5.	Others, please specify	
	One-time Bonus	2,500,000/-
	Performance Linked Incentive	5,750,000/-
	Total	**18,839,502/-**

b. Criteria for making payments to Non-Executive Directors:

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the independent functioning of the Board. They also oversee the corporate governance framework of the Company. The criteria of making payments to non–executive directors are placed on the Company's website and can be accessed at https://homefirs-tindia.com/files/Nomination%20and%20Remuneration%20Policy.pdf

Dividend Distribution Policy:

The Company has in place the Dividend Distribution Policy, duly approved by the Board of Directors. The same is available on the website of the Company and can be accessed at https://homefirst india.com/files/-DividendDistributionPolicy.pdf

Internal Guidelines on Corporate Governance

Your Company has a duly formulated Internal Guidelines on Corporate Governance in accordance with HFCs – Corporate Governance (NHB) Directions, 2016 and RBI Directions for Housing Finance Company, 2021, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various stakeholders and lays down the Corporate Governance practices of the Company. The said policy is available on the website of the Company at https://www.homefirstindia.com/files/InternalGuidelinesonCorporateGovernance.pdf

Code of Conduct for the Board of Directors and the Senior Management Personnel

Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the Company has adopted Code of Conduct applicable to the Board of Directors and the Senior Management Personnel ('Code'). The Code provides guidance to the Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Schedule V (D) of the SEBI Listing Regulations. The Company has also received declaration from Managing Director & CEO confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the financial year ended March 2021 as attached with this Report. The said code is hosted on the website of the Company at https://www.homefirstindia.com/files/CodeofConductforBoardofDirectorsandSeniorManagementPersonnel.pdf.

Related Party Transactions Policy

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Companies Act and Regulation 23 of the Listing Regulations, which specify the manner of entering into Related Party Transactions. Details of related party transactions entered into by the Company are in the ordinary course of its business and are included in the notes forming part of the financial statements. The Company did not enter into any material related party transaction during the financial year ended March 31, 2022. During the year under review, all RPTs were placed before the Audit Committee for its approval (including omnibus approval), as required under Section 177 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations. No materially significant related party transactions were entered into during the FY22 that may have potential conflict with interests of the listed entity at large.

The Policy on Related Party Transactions has been hosted on the website of the Company in accordance with the provisions of the Listing Regulations and the RBI master directions for housing finance companies and can be accessed at the web-link https://homefirstindia.com/files/RelatedPartyTransactionsPolicy.pdf

Details of establishment of Vigil Mechanism and Whistle Blower Policy

The Vigil Mechanism as envisaged in the Companies Act and the Rules thereunder and the Listing Regulations is implemented through the Whistle Blower Policy. This policy provides for adequate safeguards against victimization of persons who use such mechanism and provides direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

It enables reporting illegal or unethical behaviour, actual or suspected fraud(s) or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity. None of the personnel have been denied access to the Audit Committee.

The policy is placed on the website of the Company and can be accessed at https://homefirstindia.com/files/VigilMechanismandWhistleBlowerPolicy.pdf

Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

In compliance of the SEBI PIT Regulations, as amended from time to time, the Company has formulated a Code of Conduct- Prevention of Insider Trading in the shares of the Company, which inter alia, prohibits trading in shares of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company and in order to ensure uniform dissemination of unpublished price sensitive information. The Board of Directors had adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which is available on the website of the Company and can be accessed at www.homefirstindia.com/files/CodeofpracticesandproceduresforfairdisclosureofUPSI.pdf

Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has complied with the formation of the Internal Complaints Committee as prescribed under the Companies Act, 2013.

Pursuant to the said Act, the details of the total reported and closed cases pertaining to incidents under the above framework/ law are as follows:-

Number of cases reported during the year: 1
Number of cases closed during the year: 1
Numbers of cases open as on March 31, 2022: Nil

Penalties

There were no instances of non- compliances, penalty levied or strictures imposed on the Company by the Stock Exchanges, or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Details of Annual General Meetings:

The details of the location and time of the last three Annual General Meetings is given below:

For the financial year	Date & Time	Venue	Details of Special Resolution passed
2020-21	August 5, 2021 at 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio-Visual Means	• Ratification of the ESOP 2012 Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations 2014. • Ratification of the ESOP II Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations 2014. • Consideration and approval of Article 18.1 to 18.12 of the Articles of Association of the Company.
2019-20	June 20, 2020 at 11:00 A.M.	511, Acme Plaza, Andheri Kurla Road, Andheri (E), Mumbai 400059	• To authorize Board for issuance of Non-Convertible Debentures and/or any other hybrid instruments of the Company on private placement basis.
2018-19	June 12, 2019 at 10 A.M.	511, Acme Plaza, Andheri Kurla Road, Andheri (E), Mumbai 400059	• Increase in the borrowing powers under section 180(1)(c) of the Act. • To authorize board to create charge under Section 180 (1)(a) of the Act. • To authorize Board for Issuance of Non-Convertible Debentures, in one or more tranches /Issuances. • Increase in option pool of ESOP II • Increase in authorized Share capital.

Postal Ballot:

During the year under review, the Company sought approval of the Members by means of Postal Ballot conducted through Remote E-voting which was duly passed with requisite majority. The businesses along with the details of voting pattern is as follows

Sr. No.	Type of Resolution	Subject Matter of the Resolution	Total No. of Shares Held	Total No. of Votes Polled	% Votes of polled on total No. of Shares held
Postal Ballot Voting Results as on November 26, 2021					
1.	Ordinary	Appointment of Ms. Geeta Dutta Goel (DIN: 02277155) as a Non-Executive Independent Director of the Company.	87,536,551	74,863,521	85.523
2.	Ordinary	Appointment of Mr. Anuj Srivastava (DIN: 09369327) as a Non-Executive Independent Director of the Company.	87,536,551	74,863,380	85.522
3.	Special	Approval of Home First Finance Company India Limited Employee Stock Option Scheme, 2021 ("Homefirst ESOP Scheme 2021") for eligible employees of Home First Finance Company India Limited ("Company")	87,536,551	74,863,622	85.523
Postal Ballot Voting Results as on March 9, 2022					
1.	Special	Appointment of Ms. Sucharita Mukherjee (DIN:02569078) as a Non-Executive Independent Director of the Company.	87,594,085	74,492,224	85.0425

Mr. Aashish K Bhatt (ICSI Membership No. ACS 19639), Designated Partner of Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, as the Scrutinizer for conducting the postal ballot only through the e-voting process in a fair and transparent manner. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

Procedure of Postal Ballot:

The Company provides facility to exercise votes by means of postal ballot through remote electronic voting system, in addition to physical ballot. Postal ballot notices and forms are dispatched to the members with the postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. For FY22, in view of the COVID-19 pandemic and the circulars issued by MCA, postal ballot notice was sent through e-mail only, to all those members who had registered their e-mail ids with the Company/depositories. The Company also publishes notice in the newspapers for the information of the members.

A scrutinizer is appointed for conducting the postal ballot process in a fair and transparent manner. Voting rights are reckoned on the equity shares held by the members as on the cut-off date. The scrutinizer submits his report on the postal ballot to the Chairman, and the voting results are announced by placing the report on the website of the Company and by communicating to the Stock Exchanges.

Means of Communication

Pursuant to the applicable regulations of SEBI Listing Regulations, your Company publishes financial results on quarterly basis which are duly reviewed by the Audit Committee before submission to the Board and are submitted to the Stock Exchanges. The financial results of the Company are generally published in Financial Express and Mumbai Lakshdeep. The Managing Director & CEO, Chief Financial Officer and Investor Relations Officer at regular intervals conducts conference call(s) with the analysts/ Shareholders and responds to the queries from investors on quarterly basis.

The Company's website, www.homefirstindia.com , under the section of 'investor relations', contains all important public information including financial results, various policies approved by the Board, presentations made to the media, analysts and institutional investors, schedule and transcripts of earnings call with investors, official news releases, matters concerning the shareholders and details of the contact persons, etc.

During FY22, the Company sent documents, such as notice of the annual general meeting, postal ballot, audited and limited reviewed financial statements, Directors' Report, auditors' report, etc. in electronic form to the registered email addresses. All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website

General Shareholder Information:

Corporate Information:

Incorporation Date	February 3, 2010
Registered Office Address	511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059
Corporate Identification Number (CIN)	L65990MH2010PLC240703
Date, time and Venue of the Annual General Meeting	Date: June 10, 2022; Time: 02:00 P.M., Indian Standard Time ("IST") Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Facility.
Financial year	April 1, 2021 to March 31, 2022
Dividend Payment Date	No dividend has been proposed
Name and Address of Stock Exchange	The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). Non-Convertible Debentures (NCDs) issued by the Company are listed on the Wholesale Debt Market (WDM) segment of the BSE. NSE: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
Stock Code	NSE: HOMEFIRST BSE: 543259
Payment of Listing Fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE where its equity shares are listed.
ISIN	INE481N01025
Registrar & Share Transfer Agent	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Tower-B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telangana, India, Tel: +91 40 6716 2222
In Case securities are suspended from Trading	Not Applicable

Share Transfer System	The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. An annual certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) and 61(4) of the SEBI LODR Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.
Dematerialization of shares and liquidity	As on March'22, 100 % of the total equity capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are regularly traded on BSE and NSE.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on liquidity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
Plant Locations	Not Applicable
Address for correspondence	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Tower-B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telangana, India Email: einward.ris@kfintech.com The Company Secretary & Compliance Officer Home First Finance Company India Limited 511, Acme Plaza, Andheri Kurla Road, Mumbai 400-059. Email- corporate@homefirstindia.com
Commodity price risk or foreign exchange risk and commodity hedging activities	This is not applicable since the Company does not have any derivatives or liabilities denominated in foreign currency.

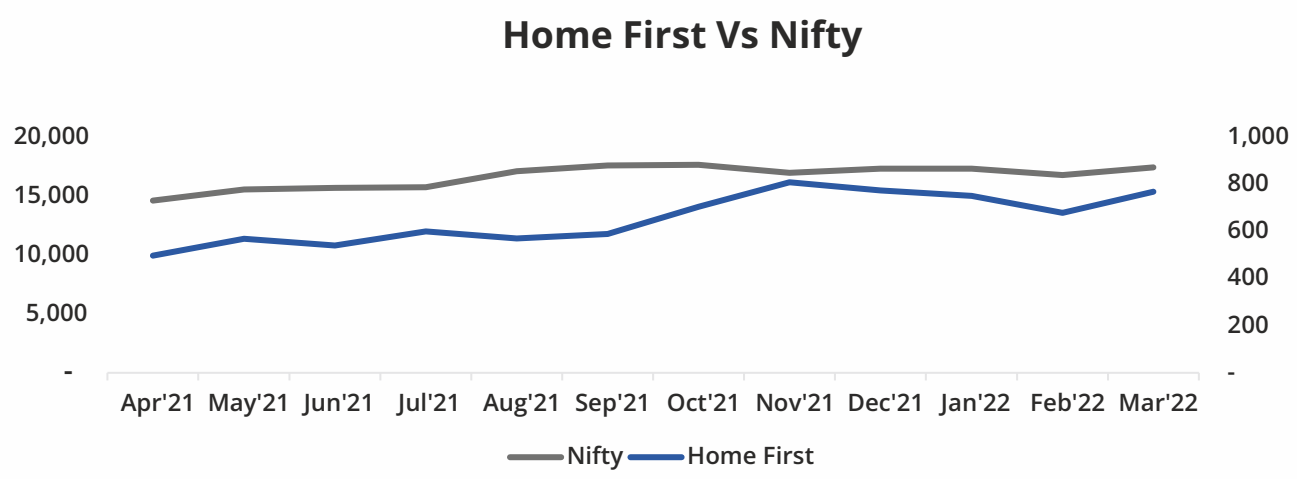
Stock Price Data:

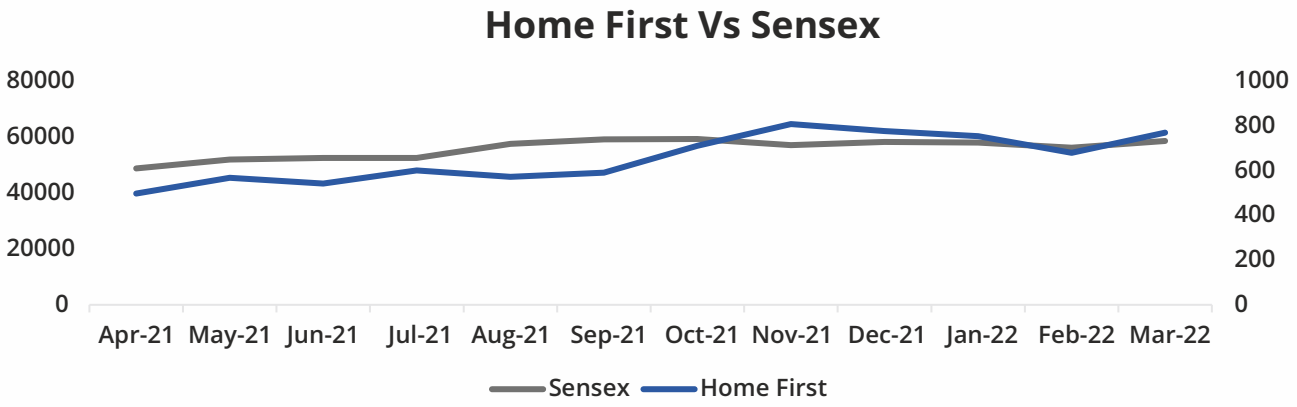
The reported high and low closing prices of equity shares (in ₹) of the Company traded on NSE and BSE during the period under review are set out in the following table:

Month	BSE		NSE	
	High	Low	High	Low
April 2021	520.00	441.00	520.00	440.00
May 2021	579.00	481.00	579.45	480.20
June 2021	576.50	523.55	577.40	523.15
July 2021	622.75	529.05	623.30	529.00
August 2021	604.85	545.00	604.90	541.00
September 2021	628.00	535.55	628.20	535.30
October 2021	722.30	576.00	723.25	584.55
November 2021	883.90	693.55	884.00	691.55
December 2021	919.95	758.20	921.30	757.50
January 2022	851.25	731.85	851.45	732.15
February 2022	777.80	658.00	778.00	650.00
March 2022	789.25	620.00	789.95	620.00

[Source: This information is compiled from the data available on the websites of NSE and BSE]

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty:





Distribution of Shareholding as on March'22:

Sr. No.	Category (Shares)	No. of Holders	% Holders	No. of Shares	% Equity
1.	1 - 5000	62,033	99.62	4,604,782	5.25
2.	5001 - 10000	84	0.13	584,683	0.67
3.	10001 - 20000	39	0.06	547,128	0.62
4.	20001 - 30000	21	0.03	503,824	0.57
5.	30001 - 40000	17	0.03	572,937	0.65
6.	40001 - 50000	11	0.02	479,120	0.55
7.	50001 - 100000	18	0.03	1,289,154	1.47
8.	100001 and above	45	0.07	79,052,075	90.21
	TOTAL	**62,268**	**100.00**	**8,763,3703**	**100.00**

Shareholding Pattern as on March'22:

Sr. No.	Description	Holders	Total Shares	% Equity
1.	Foreign Corporate Bodies	2	32,003,115	36.52%
2.	Promoters	1	17,705,532	20.20%
3.	Foreign Promoters	1	11,742,592	13.40%
4.	Foreign Portfolio – Corp	47	9,555,788	10.90%
5.	Resident Individuals	58,711	6,007,918	6.86%
6.	Mutual Funds	30	3,469,309	3.96%
7.	Bodies Corporates	247	2,410,975	2.75%
8.	Alternative Investment Fund	7	1,880,172	2.15%

Sr. No.	Description	To Holders	Total Shares	% Equity
9.	Directors	1	803,383	0.92%
10.	Qualified Institutional Buyer	16	789,697	0.90%
11.	Employees	65	511,292	0.58%
12.	Non-Resident Indians	858	394,621	0.45%
13.	H U F	1,837	180,056	0.21%
14.	Non-Resident Indian Non Repatriable	370	119,416	0.14%
15.	Clearing Members	72	46,552	0.05%
16.	Trusts	3	13,285	0.02%
	Total	**62,268**	**87,633,703**	**100.00**

Credit Ratings:

The Company's financial discipline and prudence is reflected in the strong credit ratings assigned by Credit Rating Agencies as under:

Instrument	Rating Agency	Rating	Outlook
Term Loan	ICRA	A+	Positive
	India Ratings	AA -	Stable
	CARE	A+	Stable
Commercial Paper	ICRA	A1+	-
	India Ratings	A1+	-
Non - Convertible Debentures	ICRA	A+	Positive
	India Ratings	AA-	Stable

ICRA Limited revised the outlook of the Company's long term credit ratings on November 24, 2021 from A+ 'Stable' to A+ 'Positive' while re-affirming the existing ratings.

India Ratings & Research had assigned "AA-/Stable" for Bank loans and Non-Convertible Debentures ("NCD") and reaffirmed "A1+" for Commercial Paper Programme on March 4, 2022.

Details of utilization of funds raised through preferential allotment or qualified institutional placement:

During the year under review, your Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Regulation 32 (7A) of the SEBI Listing Regulations.

Certification from Practicing Company Secretary (PCS)

A certificate issued by Aashish K Bhatt, (ICSI Membership No. ACS 19639), Designated Partner of Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, certifying that none of the Directors on the Board of the Company as on March'22, has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority.

The same forms part of this Annual Report as an annexure to the Directors' Report.

Accounting Standards

The Company has followed Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

Certification on Corporate Governance

As required under the SEBI Listing Regulations, certificate issued by Mr. Aashish K Bhatt (Membership No. ACS 19639), Designated Partner of Bhatt & Associates Company Secretaries LLP, certifying that the Company has complied with the conditions of Corporate Governance as stipulated by SEBI LODR Regulations. The said certificate forms part of the Annual Report as an Annexure to the Directors Report.

Due dates for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

In terms of Section 125 of the Act, unclaimed dividends are required to be transferred to the Investors Education and Protection Fund. There was no dividend declared in the last Seven (7) years and the year under review and hence, there was no requirement of transferring the same to the Investors Education and Protection Fund.

Directors and Officers (D&O) Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI LODR Regulations, the Company has taken a D&O Liability Insurance policy on behalf of all Directors including Independent Directors and Key Managerial Personnel of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

Chief Executive Officer and Chief Financial Officer certification:

As required under Regulation 17(8) read with Part B f Schedule II of the SEBI Listing Regulations, the Managing Director & CEO and the Chief Financial Officer of the Company have made a certification to the Board of Directors, in the prescribed format for the year under review. The same has been reviewed and taken on record by the Board of Directors.

Details of non-acceptance of any recommendation of any committee of the board which is mandatorily required:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part: -

Total fees for all services paid by Company, on a consolidated basis, to M/s Deloitte Haskins & Sells (Firm Registration No.: 117365W), Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, as included in the Financial Statements of the Company for the year ended on March 31, 2022, are as follows:

Particulars	Amount (₹ in million)
Fees for audit and related services paid to M/s. Deloitte Haskins & Sells & Affiliates firms and to entities of the network of which the statutory auditor is a part	3.40
Other fees paid to M/s Deloitte Haskins & Sells & Affiliates firms and to entities of the network of which the statutory auditor is a part	1.17
Total	**4.57**

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Compliance with mandatory Requirements and adoption of the non-mandatory Requirements of Corporate Governance:

During the period under review, your Company has complied with all the mandatory requirements of SEBI Listing Regulations. In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has also adopted certain voluntary compliance requirements as outlined in the Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable acts, rules, regulations & guidelines. As per the discretionary requirements specified in Schedule II, Part E of the Listing Regulations, the Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer.

Statutory and Regulatory Compliance:

The Company has followed all applicable directions, guidelines and circulars issued by Reserve Bank of India from time to time. The Company also has been following directions / guidelines / circulars issued by Income Tax Act, 1961, Securities and Exchange Board of India and Ministry of Corporate Affairs from time to time, as applicable to the company.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Declaration on Compliance with the Company's Code of Conduct for Board of Directors and Senior Management Personnel

I, Manoj Viswanathan (Managing Director & CEO), hereby confirm and declare that in terms of Regulation 26 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel for the FY22.

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Date: May 3, 2022
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Home First Finance Company India Limited,
511, Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai - 400059.

We have examined the compliance of conditions of Corporate Governance by Home First Finance Company India Limited ('the Company') for the year ended March 31, 2022, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 1, 2021 to March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai

Date: May 3, 2022

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639D000258561

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Home First Finance Company India Limited,
511, Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai - 400059.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Home First Finance Company India Limited having CIN L65990MH2010PLC240703 and having registered office 511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai - 400059 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr.	Name of Director	DIN	Date of appointment
1.	Mr. Deepak Satwalekar	00009627	23.10.2019
2.	Ms. Geeta Dutta Goel	02277155	01.11.2021
3.	Mr. Anuj Srivastava	09369327	01.11.2021
4.	Ms. Sucharita Mukherjee	02569078	01.02.2022
5.	Mr. Maninder Singh Juneja	02680016	26.05.2017
6.	Mr. Vishal Gupta	01913013	28.02.2018
7.	Mr. Divya Sehgal	01775308	10.06.2017
8.	Mr. Narendra Ostawal	06530414	15.10.2020
9.	Mr. Manoj Viswanathan	01741612	28.06.2010

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai
Date: May 3, 2022

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639D000258559

Annexure IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Home First Finance Company India Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Home First Finance Company India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings are not applicable;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014 ;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable;

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion

that the Company has complied with the provisions of the master directions issued by Reserve Bank of India, National Housing Bank Act, 1987, Circulars, Master circulars, Notifications and Guidelines as prescribed for Housing Finance Companies.

Further, as a precautionary measure against "COVID 2019", the audit process has been modified, wherein documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

We have examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of the Company Secretaries of India

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company has complied with the provisions of the Regulation except delay in disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the Financial Statements for the half year ended 30.09.2021 as per required under Regulation 54 (2) of the SEBI Listing Regulation for which BSE Limited had imposed fine pursuant to SEBI circular no. SEBI/ HO/ DDHS/ DDHS/ CIR/P/2020/231 dated November 13, 2020. Further, the Company has made representation to BSE Limited with regards to waiver of the same and the matter is still pending.

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance or on a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

We have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, the Company has undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

(i) Board approval for payment of profit related commission to Independent Directors for Financial Year 2021;
(ii) Noting of termination of Part B of Articles of Association;
(iii) Issuance and allotment of Non-Convertible debentures on private placement basis;
(iv) Allotment of Equity shares pursuant to exercise of options of ESOP II Scheme and ESOP 2012 Scheme;
(v) Approval for increase in remuneration of Managing Director;
(vi) Appointment and Resignation of Directors;
(vii) Approval of the Home First ESOP Scheme 2021;
(viii) Re-constitution of Board and its committees;

The Company has obtained Member's approval for the following special businesses:

(i) Approval for appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants as the Statutory auditors for a period of 3 years;
(ii) Ratification of ESOP 2012 and ESOP II Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations, 2014;
(iii) Consideration and Approval of Article 18.1 to 18.12 of the Articles of Association;

(ix) The Company has obtained Member's approval for the following resolution through postal ballot:
(i) Appointment of Ms. Geeta Dutta Goel (DIN: 02277155) as a Non-Executive Independent Directors for five consecutive years from November 1, 2021 up to October 31, 2026;
(ii) Appointment of Mr. Anuj Srivastava (DIN: 09369327) as a Non-Executive Independent Directors for five consecutive years from November 1, 2021 up to October 31, 2026;
(iii) Approval of Home First Finance Company India Limited Employee Stock Option Scheme, 2021 for eligible employees of the Company;
(iv) Appointment of Ms. Sucharita Mukherjee (DIN:02569078) as a Non-Executive Independent Directors for five consecutive years February 1, 2022 up to January 31, 2027.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai

Date: May 3, 2022

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639D000258999

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,
The Members,
Home First Finance Company India Limited.

Our report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.

2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure on test basis and wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations etc.

5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai

Date: May 3, 2022

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639D000258999

Annexure V

REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY22

1. A brief outline on CSR policy of the Company:

Home First Finance Company India Limited (hereinafter referred to as '**Home First**') believes in integrating its business model with the social welfare of people and society in which it operates. The Company strives to become an asset in the communities where it operates, through constant and collaborative interactions with external stakeholders.

We respect the interests of and are responsive towards all our stakeholders. Our Corporate Social Responsibility policy provides for constitution of a CSR Committee, an implementation strategy which include identification of CSR projects, setting measurable targets, organizational mechanism and responsibilities, time schedule, execution and monitoring.

This Policy on Corporate Social Responsibility encompasses our philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

CSR Policy relates to the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company.

The essence of the CSR policy that companies shall not pursue their immediate profit objectives at the expense of the long-term interests of the community.

CSR Thrust Areas:

Your company has identified CSR thrust areas for undertaking CSR activities in India. Your Company gives preference to the areas around which the Company operates and the areas with identified needs for CSR spending. The brief description of the CSR thrust areas is as under:

a. **Health:** Eradicating hunger, poverty, malnutrition, promoting health care including preventive healthcare, sanitation and availability of safe drinking water.

b. Education and livelihood: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

c. Disaster Management: Disaster management, including relief, rehabilitation and reconstruction activities.

d. Environment: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.

e. Others: The Company may identify newer thrust areas to the above list, in so far as such activities are as defined in Schedule VII of the Companies Act, 2013, as amended, from time to time.

2. Composition and Meetings of CSR Committee:

The members of the CSR Committee as at March'22 were:

Sr. No.	Name	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Geeta Dutta Goel**	Independent Director	2	1
2.	Ms. Sucharita Mukherjee**	Independent Director	2	1
3.	Mr. Manoj Viswanathan	Managing Director & CEO	2	2
4.	Mr. Sakti Prasad Ghosh*	Independent Director	2	1
5.	Mr. Rajagopalan Santhanam*	Nominee Director	2	1

*Mr. Sakti Prasad Ghosh and Mr. Rajagopalan Santhanam ceased to be members of the Committee with effect from. October 31,2021 and January 31, 2022 respectively, consequent to their resignation.

**Ms. Geeta Dutta Goel was appointed as the Member and the Chairperson of the Committee with effect from November 1, 2021 and Ms. Sucharita Mukherjee was appointed as the member of the Committee with effect from February 1, 2022.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved are disclosed on the website of the company:**

The Composition of CSR Committee, CSR Policy and CSR Projects approved are available on the website of the Company at the following links:

1. CSR Committee - https://homefirstindia.com/investor-relations/
2. CSR Policy - https://homefirstindia.com/files/CSR.pdf
3. CSR Projects - https://homefirstindia.com/files/CSR Initiatives.pdf

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable.

6. **Average net profit of the Company as per Section 135(5): ₹1,001,303,000/-**

7. (a) Two percent of the average net profit of the Company as per Section 135 (5) : **The Company is required to spend ₹20,026,060/- towards CSR.**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**
   (c) Amount required to be set off for the financial year, if any- **NIL**
   (d) Total CSR obligation for the financial year (7a+7b-7c). **– ₹20,026,060/-.**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹) :NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20,486,435 /-	N.A	N.A	N.A	N.A	N.A

(b) Details of CSR Amount spent against **ongoing projects** for the Financial Year: **Not Applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation Through implementing agency	
				State.	District			Name.	CSR registration number
Healthcare :									
1.	Sponsor treatment of 50 children towards elimination of clubfoot disability	Promotion of healthcare	Yes	Gujarat	Ahmedabad, Surat	500,000/-	No	Cure International India Trust	CSR00001867
2.	Sponsor treatment of 44 children towards elimination of Cleft lip	Promotion of healthcare	Yes	Gujarat	Ahmedabad, Surat	1,188,000/-	No	Smile Train India	CSR00000842
3.	Under privileged Cancer patient's care Donation of OT stretcher, Wheelchair, fowler beds and Ligasure (Covidien) to Cancer Hospital	Promotion of Healthcare	Yes	Gujarat	Rajkot	1,750,000/-	Yes	Rajkot Cancer Society	CSR00025201

4.	Underprivileged cardiac patient's care (Upto age 18years)	Promotion of Healthcare	Yes	Gujarat	Ahmedabad	1,800,000/-	Yes	Prashanti Medical Services and Research foundation	CSR00007410
5.	Construction of OT in Trust hospital	Preventive Healthcare	Yes	Gujarat	Surat	1,800,000/-	Yes	Guru Maa Mahila Grah Udyog Samiti (Seva Foundation)	CSR00005145
6.	Eye Cataract Surgery for underprivileged patients	Preventive Healthcare	Yes	Andhra Pradesh	Vizag, Vizianagaram	500,000/-	Yes	Sankar Foundation	CSR00006331
7.	Workplace Safety	Preventive Healthcare	Yes	Gujarat, Tamil Nadu, Maharashtra, Chhattisgarh, Madhya Pradesh	Ahmedabad, Surat, Himmatnagar, Mehsana, Bhavnagar, Baroda, Anand, Indore, Sangli, Satara, Nashik, Ahmednagar, Nagpur, Raipur	2,861,034/-	Yes	-	-

Education and Livelihood :									
8.	Project Sashakt-Empowerment of Migrant Factory Labourers and their families.	1. Promotion of employment enhancement skills and livelihood enhancement projects. 2. Promoting health care 3.Promoting,education, including special education and employment enhancing vocation skills especially among children, women, elderly	Yes	Gujarat	Narol, Ahmedabad	1,523,697/-	No	Elixir Foundation	CSR00001799
9.	Mahila Shram Shakti Kendra-multipurpose centers exclusively for migrant women construction workers	1.Promotion of gender equality, empowering women 2.Promoting health care 3.Promoting education, including special education and employment enhancing vocation skills	Yes	Gujarat	Ahmedabad and Surat	1,392,868/-	No	Aajeevika Bureau Trust	CSR00003350

Disaster Management :									
10.	COVID Care-Relief & Welfare	1. Promotion of health care, including preventive health care and sanitation 2. disaster management	Yes	Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Uttar Pradesh, Chhattisgarh	Raipur, Nagpur, Nashik, Bangalore, Hyderabad, Chennai, Coimbatore, Surat, Ahmedabad, Erode, Delhi, Ghaziabad and Mumbai	4,814,243/-	Yes	-	-
Environment									
11	Distribution of 4000 fruits trees to marginal farmers	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources	Yes	Maharashtra	Thane	100,000/-	No	Global Vikas Trust	CSR00004400
12.	Developed Van Aushadhi Garden with 1000 herbal tree plantation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources	Yes	Maharashtra	Palghar	600,000/-	No	Keshav Shrushti	CSR00002691

13.	Installation of solar panels at the physiotherapy Centre	Ensuring environmental sustainability		Maharashtra	Nagpur	826,461/-	No	Nagpur Association for the rehabilitation of children with orthopedic disabilities	CSR00024544
Others									
14.	Army Welfare	Measures for the benefit of armed forces veterans, war widows and their dependents	Yes	Delhi	Delhi	500,000/-	Yes	-	CSR00010944
	TOTAL					20,156,303/-			

(d) Amount spent in Administrative Overheads – ₹330,132
(e) Amount spent on Impact Assessment, if applicable - Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹20,486,435/-
(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹)
(I)	Two percent of average net profit of the company as per section 135(5)	20,026,060/-
(II)	Total amount spent for the Financial Year	20,486,435/-
(III)	Excess amount spent for the financial year [(ii)-(i)]	-
(IV)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	N.A as the company did not have any unspent amount for 2020-21					
2	2019-20	N.A as the company did not have any unspent amount for 2019-20					
3	2018-19	N.A as the company did not have any unspent amount for 2018-19					
	Total						

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details) : **Not Applicable as the Company has not acquired or created any capital assets through CSR spent in the financial year.**

(a) Date of creation or acquisition of the capital asset(s) – **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable as the Company has duly spent the required amount under CSR**

For and behalf of Home First Finance Company India Limited

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Geeta Dutta Goel
Independent Director
Chairperson of CSR Committee
DIN: 02277195

Annexure VI

Statement of Disclosure of Remuneration under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 22.</td><td>
<table>
<tr><th>Name</th><th>Ratio</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>44 : 1</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>7 : 1</td></tr>
<tr><td>Mr. Sakti Prasad Ghosh</td><td>4 : 1</td></tr>
<tr><td>Ms. Sujatha Venkatramanan</td><td>3 : 1</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td>0 : 1</td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>3 : 1</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>2 : 1</td></tr>
<tr><td>Mr. Narendra Ostawal</td><td>0 : 1</td></tr>
<tr><td>Mr. Vishal Vijay Gupta</td><td>0 : 1</td></tr>
<tr><td>Mr. Divya Sehgal</td><td>0 : 1</td></tr>
<tr><td>Mr. Maninder Singh Juneja</td><td>0 : 1</td></tr>
<tr><td>Mr. Rajagopalan Santhanam</td><td>0 : 1</td></tr>
</table>
</td></tr>
<tr><td>2.</td><td>The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY22.</td><td>
<table>
<tr><th>Name</th><th>Percentage (Increase/Decrease)</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>8.5% effective July 21</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>10%</td></tr>
<tr><td>Mr. Sakti Prasad Ghosh</td><td>43%</td></tr>
<tr><td>Ms. Sujatha Venkatramanan</td><td>46%</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td></td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>Appointed in FY22</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>Appointed in FY22</td></tr>
<tr><td>Mr. Narendra Ostawal</td><td>-</td></tr>
<tr><td>Mr. Vishal Vijay Gupta</td><td>-</td></tr>
<tr><td>Mr. Divya Sehgal</td><td>-</td></tr>
<tr><td>Mr. Maninder Singh Juneja</td><td>-</td></tr>
<tr><td>Mr. Rajagopalan Santhanam</td><td>-</td></tr>
<tr><td>Ms. Nutan Gaba Patwari</td><td>12% effective July 21</td></tr>
<tr><td>Mr. Shreyans Bachhawat</td><td>9 % effective July 21</td></tr>
</table>
* (Annualised increment % is given above)
Sitting fees paid to the Independent Directors is considered to be part of the remuneration.
For Mr. Satwalekar the % increase is basis the pro-rata remuneration paid to him in FY21.
</td></tr>
</table>

Sr. No.	Particulars	Details
3.	The percentage increase in the median remuneration of employees in the financial year.	8% PA effective July 2021 *(Annualised increment % is given above)
4.	The number of permanent employees on the rolls of company	851 as on March 31, 2022
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increases made in the salaries of employees other than the managerial personnel in the last financial year = 10.5% PA effective July 2021 (Annualised) Average percentile increases made in the salaries of managerial personnel in the last financial year = 10% PA effective July 2021 (Annualised)
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

i. The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

ii. If there is an even number of observations, the median shall be the average of the two middle values.

Annexure VII

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L65990MH2010PLC240703**
2. Name of the Listed Entity: **Home First Finance Company India Limited**
3. Year of incorporation: **2010**
4. Registered office address: **511, Acme Plaza, Andheri Kurla Road, Mumbai - 400059**
5. Corporate address: **same as above**
6. **E-mail:** corporate@homefirstindia.com
7. Telephone: **+91 22 6694 0386**
8. Website: www.homefirstindia.com
9. Financial year for which reporting is being done: **FY 2021-22**
10. Name of the Stock Exchange(s) where shares are listed: **Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)**
11. Paid-up Capital:**₹175,267,406**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: **Mr. Shreyans Bachhawat, Company Secretary and Compliance Officer.**
    Email id: corporate@homefirstindia.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): **Disclosures made in this report are on a standalone basis and pertain only to Home First Finance Company India Limited.**

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	The Company's business is providing home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. In addition to home loans, Company also offers customers other mortgage loans including loans against property.	100%

15. Products/Services sold by the entity (accounting for 90% of the turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Home Loans and other Mortgage Loans The Company provides home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. In addition to home loans, the Company also offers customers loans for purchasing commercial properties and other mortgage loans including loans against property	64910	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	Not Applicable*	81**	81**
International		-	-

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

** Head Office location includes the corporate office and comprises of 8 different sub-offices in the same building. If we count these sub-offices separately then the total number of offices for HomeFirst is 88.

17. Markets served by the entity

a) Number of locations

Locations	Number
National (No. of States)	12 states and 1 union territory
International (No. of Countries)	NIL

b) What is the contribution of exports as a percentage of the total turnover of the entity?
NIL

c) A brief on types of customers
We serve salaried customers in low and middle-income groups which account for 72.3% of our Gross Loan Assets, and self-employed customers account for 27.3% of our Gross Loan Assets, as of Mar'22. Our salaried customers are typically employed by small firms or work in junior positions in larger companies, while our self-employed customers are generally small business owners. The monthly incomes of our customers are below ₹ 50,000 per month.

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	851	618	72.62%	233	27.38%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	851	618	72.62%	233	27.38%
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Managerial Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers *(Disclose trends for the past 3 years)*

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in current FY)			FY 2020 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	37.83%	33.41%	36.54%	18.51%	15.80%	17.64%	41.90%	23.47%	37.92%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ Subsidiary/ Associate Companies/ Joint ventures

S. No.	Name of holding/ Subsidiary/ Associate Companies/ Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate Companies/ Joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
No Holding, Subsidiary or Associate Companies (including joint ventures)				

VI. CSR Details

22 (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): Yes
(ii) Turnover (in ₹): 595.67 Crs
(iii) Net worth (in ₹): 1,573.69 Crs

VII. Transparency and Disclosure Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022 Current Financial Year			FY 2021 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	0	0		2	0	
Customers	Yes	288	0		184	2	The pending 2 complaints were resolved before the Board Meeting held on May 3, 2021.
Value Chain Partners	Yes	0	0		0	0	
Others (please specify)							

24. Overview of the entity's material response business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Funding properties which are inappropriate or are developed at inappropriate location may lead to severe environmental, social, health and safety issues.	Risk	-Inappropriate property/ development location may either lead to loss of life and/or deterioration in quality of life in nearby habitats.	-As a part of property assessment process, Home First has clearly called out criteria for selecting properties that can be financed.	Funding such high-risk properties may lead to financial losses to HomeFirst. Reason being, such properties may lead to -loss of life (i.e., Borrower, other surrounding habitats) and /or

			-HomeFirst is primarily in the business of mortgage loans. In the event of default by borrower, the most suitable recovery mechanism is sale of primary collateral (Property). Any kind of incorrect assessment and non-compliance of regulatory laws impacts recovery prospects.	-These criteria cover various aspects related to environment, social, health and safety. -This is regularly communicated to Property Assessment team. -Additionally, we receive reports from empaneled valuers to get an independent opinion on suitability of location and other regulatory aspects.	-environmental issues and/or -Regulatory actions (i.e., Legal Proceedings, Demolitions of structure, financial penalties on owners, confiscation of property etc.) which may negatively impact borrower's repayment ability and intention. This may ultimately lead to defaults in repayment of the loan

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping business demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) ** See the list of policies below which incorporates the principles*	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y
c. Web Link of the Policies, if available	https://homefirstindia.com/investor-relations/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. HomeFirst has translated the policy into procedures across the activities undertaken by the company.								

3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company expects its stakeholders to adhere to the same in all their dealings.
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not Applicable
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company is evaluating to start financing of green homes and make it a meaningful part of overall portfolio. Also, we have identified 12 focus areas in our ESG framework as mentioned below. 1. Operational Eco - Efficiency 2. Climate Resilience 3. Employee Training & Development 4. Employment & Labor Practices 5. Data Protection and Privacy 6. Health & Safety 7. Customer Satisfaction 8. Community Relations 9. Corporate Governance 10. Risk Management 11. Code of Conduct & Business Ethics 12. Sustainable Finance
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Progress on the focus areas • Digitally agreements signing (16% of total in FY22) • E-Stamping (41% of total in FY22) • E-NACH mandates (38% in FY22) • We have Equal Opportunity Policy, Parental Leave Policy and a formal talent pipeline development strategy. • During the period FY22, 5,288 manhours of training vs 4,770 in FY21 to employees though various courses. • On women representation, about ~27% are women, with 52% women at head office and 20% women in senior management. • Overall, 90% loans have woman as borrower. Primary applicant in 20% of AUM + atleast 1 woman co-borrower in 70% of AUM.

	• EWS and LIG customers account for more than 75% of AUM. • We have prepayment facility provided on the Customer App to "nudge" customers towards prudent finance management. • 80% of active customers are registered on HomeFirst Customer Portal App. Android Rating is 4.2 (17Apr'22). • Helped 28,368 customers to claim PMAY subsidy. Received ₹ 703.8 Crs till date as PMAY subsidy which was credited to customers accounts as applicable. • 8 out of 9 Directors are non-executive Directors, 4 out of 9 Directors are Independent Directors, out of which 2 are Women Directors.
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – Refer to Overview by MD & CEO in Sustainability Report Chapter on page no.32.	
8. Details of the highest authority responsible for implementation and oversight of theBusiness Responsibility policy (ies).	Mr. Manoj Viswanathan Managing Director & CEO
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Managing Director & CEO and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. An execution team headed by MD & CEO also overlooks the ESG & sustainability related aspects identified by the company. CSR committee of the Board also reviews the updates on regular basis. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. Company also reports ESG related updates regularly in its quarterly investor presentation which is again reviewed by the Board of Directors.
10. Details of Review of NGRBCs by the Company:	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Company periodically reviews all policies and necessary changes are made to the policies and processes as per the need.																	
Compliance with statutory requirements of relevance to the principles,and, rectification of any non-compliances	The Company is in compliance with the regulations to the extent applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Various processes, operations and compliances of the Company are subjected to Scrutiny by different agencies like internal auditor, statutory auditor, regulator, as applicable. The policies are reviewed periodically and amended as per need.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)							Y		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

** The policies below cover the above principles and core elements of NGRBCs:*

- KYC and Anti-Money Laundering Measures Policy
- Credit Policy
- Vigil Mechanism and Whistle blower policy
- Corporate Social responsibility policy
- Policy on Prevention of Sexual harassment in the workplace
- HR Policy
- Code of conduct for regulating, monitoring and reporting of trading by insiders
- Code of Conduct for the Board of Directors and the Senior Management Personnel
- ESG policy
- Equal Opportunity Policy
- Grievance redressal policy
- Learning Policy
- Health and Safety Policy
- Diversity and Inclusion Policy
- Anti-Bribery and Anti-Corruption Policy
- Technology Equipment Handling And Disposal Policy
- Fair advertising policy
- Code of Conduct
- Fair Practice Code
- Fit and Proper Criteria for Directors
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

<table>
<tr><th colspan="4">Essential Indicators</th></tr>
<tr><td colspan="4">1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:</td></tr>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics/Principles covered under the training and its impact</th><th>%age of persons in respective category covered by the awareness programmes</th></tr>
<tr><td>Board of Directors</td><td colspan="2">During the year, the Board of Directors spent 46.5 hours on familiarization program where the directors are updated on the business and regulatory environment and the overall operations of the Company. In addition, a monthly board update is sent to the Board to apprise them of the updates in the business.</td><td>100%</td></tr>
<tr><td>Key Managerial Personnel</td><td colspan="2" rowspan="2">All employees undergo various functional, behavioural and other types of trainings during the year. Various trainings on Cyber security, prohibition of insider trading, code of conduct are also conducted throughout the year. Functional trainings include induction trainings, role specific trainings, skill upgradation trainings (like Six Sigma), etc. Behavioural training includes trainings on grooming, interpersonal skills, etiquette, etc.</td><td rowspan="2">95.8%</td></tr>
<tr><td>Employees other than BoD & KMPs</td></tr>
<tr><td>Workers</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table>

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory /enforcement agencies / judicial institutions**	**Amount (in ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	1	BSE Limited	29,500 (inclusive of taxes)	Delay in disclosure of asset cover in relation to Non-convertible Debentures for the half year ended Sept-21, pursuant to regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	No.^
Settlement					
Compounding fee					
Non Monetary					
	NGRBC Principle	**Name of the regulatory /enforcement agencies / judicial institutions**	**Amount (in l)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NIL				
Punishment					

^Note: The Company has made representation to BSE Ltd for waiver of the same. However, we are yet to receive any further communication from them.

3. Of the instance disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies / judicial institutions**
NA	**NA**

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- The company has Anti-Bribery and Anti-corruption policy. The policy is applicable to all directors, officers, employees (whether permanent, fixed-

term or temporary), agents, representatives and other associated persons of the Company in order to promote strong and transparent operational system to ensure utmost accountability in all affairs of the Company. Further, we have Anti-bribery rules in the Employee Code of Conduct and all the employees are required to undergo a training for code of conduct while getting inducted.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

	FY 2022 Current Financial Year	FY 2021 Previous Financial Year
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022 Current Financial Year		FY 2021 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

- Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial year: None

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

- Yes. The company has a Policy with respect to dealing with related parties and the same is disclosed in the Annual report. Further the policy is hosted on the website of the company. Further, none of the Nominee directors/ Interested directors participate in the discussion involving transaction with related party nor vote on the resolution.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social- impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year (₹ in Crs)	Previous Financial Year (₹ in Crs)	Details of improvements in environmental and social impacts
R & D	-	-	
Capex	0.17	0.11	
Technology and Software Fees	10.00	7.62	

We are a technologically driven affordable housing finance company. Our processes are largely digital. The expenses incurred on technology and software licenses, helps us create a system which is equipped to process a loan with quick turnaround time.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?

- Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- The nature of the company is providing housing finance and hence the scope is limited for using recycled material as inputs. The Company has an e-waste policy and has signed an agreement with a certified e-waste handler for disposal of e-waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

- Not applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
64910	Housing Finance Activities	100%	FY 2021-22	No	The entire life cycle assessment of company's business operations is presented in the Public Offer Document of the company. Web-link https://www.sebi.gov.in/filings/public-issues/jan-2021/home-first-finance-company-india-limited_48802.html

Credit Approval and Disbursement

We have set up a robust credit approval process comprising the following stages:

Initial Screening and Pre-Sanction Check

Customer leads are logged into our system which are pursued and reviewed completely by our in-house team of well-educated and trained relationship managers. Each lead is checked against KYC, credit bureau and other third-party databases to establish customer credentials. We have an efficient paperless process to onboard and verify customers as well as determine their eligibility. Our relationship managers conduct workplace and residence verifications and submit the loan application on the central platform – this is then cross-checked by our underwriting and operations team for a number of factors including completeness of application form, KYC, eligibility, fraud check, credit bureau, income assessment, loan-to-value, value of collateral, bank statements, debt burden and third party databases for income and asset ownership.

Customer Credit Underwriting

We have a centralized underwriting process, assisted by a data-science backed customer-scoring model to evaluate a customer's ability to repay the loan and maintain consistency in underwriting procedures across branches and regions. Further, our integrated customer relationship management and loan management system allows our underwriters to conduct the credit appraisal process in a quick and efficient manner. We have also integrated our systems with third-party databases to obtain additional customer data points. This helps us gather data to assess credit worthiness of the customers and conduct a fraud check in case of any discrepancies.

Property Underwriting and Disbursement Process

At the time of sanctioning the loan, we assess the value of the collateral. Our teams initiate a legal and technical assessment through third party vendors to verify the authenticity of the legal documents, the title to the property and its market value. We have set up a legal and technical portal to simplify the process of evaluation of the property. Our proprietary machine learning backed property price predictor coupled with geo-tagging of properties further assists in reducing our turnaround times for approving loans and improving accuracy in determining loan to value ratio.

Loan Collection and Monitoring

We have set up a robust and tiered, collections management system with prescribed collection action at each stage of severity of default. All our borrowers register for an automated debit facility, which reduces our cash management risk, and we track the status of installments collected on a real time basis through a collections module. We employ a structured collection process wherein we remind our customers of their payment schedules through text messages and automated calls to maintain adequate balance in their account on the due date. We also use models to predict probability of bounce, which helps us in obtaining early signals of potential bounce and initiate action such as pre-emptive reminder calls. Our collection process is completely managed by our branch teams (inhouse) and a significant portion of our employee incentives are dependent on collections.

We initiate recovery action immediately after the customer defaults in their monthly payment and the severity of our action increases as the number of days past due increase. At one day past due, our front-end field teams call customers and initiate visits to understand reasons for default and recovery of the dues. At 30 days past due, while our employees continue to engage with the customer, we send a default notice or loan recall notice depending upon the severity of the case. At 60 days past due, we send a pre-SARFAESI notice and our employees increase the visit frequency and reiterate the repercussions of the loan default to the customer. Thereafter, at 90 days past due, we seek to resolve cases by initiating legal action through SARFAESI.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of the Product/Service	Description of the risk/ concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022 Current Financial Year	FY 2021 Current Financial Year
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 Current Financial Year			FY 2021 Current Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste			*			*
Hazardous waste						
Other-waste						

** We have disposed of 311 units in FY21 and 161 units in FY22.*

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	618	618	100	618	100	NA	NA	618	100	NA	NA
Female	233	233	100	233	100	233	100	NA	NA	NA	NA
Total	851	851	100	851	100	233	100	618	100	NA	NA
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	851	NA	Y	687	NA	Y
Gratuity	As per Gratuity Act, it is paid post 5 years of service with the company.					
ESI	NA	NA	NA	NA	NA	NA
Others – please specify						

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- Yes. The company has equal opportunity policy. We are committed to a policy of treating all its employees and job applicants equally. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression.

5. Return to work and Retention rates of permanent employees and workers that took parental leave

	Permanent Employees		Permanent Workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	0%	NA	NA
Female	100%	75%	NA	NA
Total	100%	60%	NA	NA

Retention Rate: Out of 1 male who applied for paternity leave in FY21, he resigned in FY22. Out of 4 females who applied for maternity leave, 1 resigned in FY22 and rest have resumed work.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees Other than Permanent Employees	Yes Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who travel to the location (in case of conflict) or reach out on phone to resolve with the complaint / grievance / issue. Employees can raise complaint on the LEENA AI portal. The company follows an open-door policy and is a lean organization. Employees have access to the management/ business heads/HR to raise their concerns. In addition, we have a whistle-blower policy which provides a formal platform to share grievances on various matters.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

- The Company does not have any employees/ workers associations.

Category	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NA					
Male	NA					
Female	NA					

Total Permanent Workers	NA
Male	NA
Female	NA

8. Details of training given to employees and workers:

Category	FY 2022 Current Financial Year					FY 2021 Previous Financial Year				
	Total (A)	On Health and Safety measures		On Skill Upgradation		Total (D)	On Health and Safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	618	*	*	247	40	471	*	*	224	48
Female	233	*	*	60	26	216	*	*	103	48
Total	**851**	*	*	**307**	**36**	**687**	*	*	**327**	**48**
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Although we do not have any specific trainings conducted on health and safety, we undertake steps to create awareness regarding observing certain rules while on road and while at office. Further, we also guide the employees at the time of induction to observe safety at all times. We also have Health and Safety Policy in place.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	618	618	100	471	471	100
Female	233	233	100	216	216	100
Total	**851**	**851**	**100**	**687**	**687**	**100**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

- The company has Health and Safety Policy which ensures that employees are provided a safe, hygienic and congenial workplace to all its employees.
- All the employees of the Company are covered under Group Personal Accident Insurance Policy and Group Health Insurance Policy.
- HomeFirst is committed to employee safety and wellbeing. During the pandemic, treatment expenses during home quarantine for employees and their family members was covered by the company.
- The company understands the importance of employee mental health and wellbeing. To promote employee wellbeing, we provide 1-to-1 counselling to employees. Further, during the year, we also conducted financial wellness programs. We have a tie-up with MyGalf to provide physical wellness sessions to employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- HomeFirst is a housing finance company and hence primarily in the services industry. Hence, the work-related hazards are relatively lower compared to other industries.
- Considering the pandemic year and the risk of infections, adequate precautions and directives were issued to the employees to ensure safety at workplace. Company also adhered to all the government directives and issued travel and health advisories to its employees and advised all its employees to work from home as required to ensure employee safety and business continuity.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

- The Company is in the business of providing housing finance loans. Hence, work-related hazards are not envisaged; Considering the pandemic year and the risk of infections, adequate precautions and directives were issued to the employees to ensure safety at workplace.

  Company also adhered to all the government directives and issued travel and health advisories to its employees and advised all its employees to work from home as required to ensure employee safety and business continuity. Company has organised vaccination camps for its employees which was a success.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

- Yes. All the employees of the Company are covered under Group Personal Accident Insurance Policy and Group Health Insurance Policy.

11.Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022 Current Financial Year	FY 2021 Current Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employee	NIL	
	Workers	NA	
Total recordable work-related injuries	Employee	NIL	
	Workers	NA	
No of fatalities	Employee	NIL	
	Workers	NA	
High consequence work-related injury or ill-health (excluding fatalities)	Employee	NIL	
	Workers	NA	

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- HomeFirst is committed to employee safety and wellbeing. During the pandemic, treatment expenses during home quarantine for employees and their family members was covered by the company. HomeFirst recognizes the importance of emotional wellbeing. In order to promote the same, we provide 1-to-1 counselling to employees. Further, during the year, we also conducted financial wellness programs. We have tie-ups with different vendors to provide physical wellness sessions to employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2022 Current Financial Year			FY 2021 Current Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & safety practices	NIL
Working Conditions	NIL

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- During the pandemic, treatment expenses during home quarantine for employees and their family members was covered by the company. Further adequate precautions were taken to ensure a safe working environment.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

- Yes. The Company has Group Personal Accident Insurance Policy and Group Health Insurance Policy for the employees. In case of death of an employee who had ESOPs, the unvested ESOPs; immediately vest with the nominee of such an employee.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- Value chains comprise of vendors, banks, NBFC and developers. We ensure that we receive TDS or GST certificate or that the TDS / GST that is deposited / credited is duly reflected in 26AS / 2A respectively.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022 Current Financial Year	FY 2021 Current Financial Year	FY 2022 Current Financial Year	FY 2021 Current Financial Year
Employee	NIL	NIL	NIL	NIL
Workars	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

- Since we have a young and diverse employee base with median age of 26.5 years and we have just 2 employees who are aged 50 or more, we currently do not have any such transition assistance programs.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health & safety practices	NIL
Working Conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

- No corrective actions were required to be taken to address such concerns.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Leadership Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

- Our company has identified institutions, individuals or a group of individuals furthering the mission of the company as key stakeholder groups of the entity. We have identified and included but not limited to employees, shareholders including prospective investors, customers, channel partners including connectors, regulators, lenders, research analysts, communities and NGOs, other vendors amongst others.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement key topics and concerns raised during such engagement
Customers	Yes, if they qualify based on specified criteria such as income, gender etc.	• Customer satisfaction surveys and feedback • Interaction at Branches • Customer Care Phone Number • Digital Channels - Customer App, SMS, WhatsApp, Social media platform, chatbot, Video Call • Pamphlets • House Visits/Work Visits	Ongoing	Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have - to provide quality customer service
Employees	No	• Email communications • Physical/virtual meetings • Appraisal Process • Online Surveys • Employee Engagement Initiatives • CRM/LMS Work flow	Ongoing	• Training and development sessions • Wellness and counselling sessions • Employee Welfare Schemes • Conducting Business
Shareholders / Investors	No	• Quarterly reports, annual reports and press releases • Investor meets and Annual General Meetings (AGMs), including virtual investor meets and virtual AGMs in the era of COVID-19 pandemic • Newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/ conferences.	Ongoing	• To stay abreast of developments in the Company • Compliance • Economic performance • Governance and Ethical practices

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement key topics and concerns raised during such engagement
Regulators, lenders and credit rating agencies	No	Email, one-on-one meetings, concalls, video-conference, mandatory filings with regulators	Ongoing	Discussions with regard to various regulations and amendments, inspections, approvals
Research Analysts	No	One-on-one meetings, concalls, video-conference	Ongoing	Keep abreast of developments of the Company
Communities & NGOs	No	• Community welfare programs • Project Assessment reviews • Joint assessment of projects	Ongoing	Implementation of CSR Initiatives and status of the initiatives undertaken
Channel partners & Key Partners including vendor partners	No	Regular meetings/ mails/ phone calls	Ongoing	Partnership

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- During the year, a comprehensive deck on Company's action towards ESG initiatives and the action plan along with the tracker for the same was presented to the Board by the MD & CEO. The feedback of the Board on the initiatives proposed is shared with the ESG Execution team. After processing the Board's feedback, the Company presents the status update to its stakeholders in its quarterly results update presentation. The same is uploaded on the Company's website for wider access by various stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

- The Company engages with various investors / shareholders/rating agencies/ customers/ vendors to understand the changing ESG scenario and the expectations from the company and benchmark Company's achievements with the best practices. The feedback received is then

incorporated. Given that the ESG scenario is an evolving situation, and this is the first year HomeFirst is publishing a BRSR, we are still in the formative phase.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

- The Company in the business of providing housing loans to customers belonging to economically weaker sections of the society. Further, the company provides the facility of pre-payment to the Customers on the Customer App at no extra cost. The Company has also helped 28,368 customers to claim ₹703.8 Crs subsidy through PMAY Credit Linked Subsidy Scheme. Additionally, several CSR initiatives were undertaken during the year to address concerns of the vulnerable/ marginalized stakeholder group. Further details on Corporate Social Responsibility on page no. 62.

PRINCIPLE 5: Businesses should respect and promote human rights

Leadership Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

- No specific trainings have been undertaken on human rights issue/policies in the years FY21 and FY22. However, the company is in advanced stages to develop a module for training the employees on human rights issues.

Category	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Total (A)	No. employees of workers/ covered (B)	% (B / A)	Total (C)	No. employees of workers/ covered (D)	% (D / C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022 Current Financial Year					FY 2021 Current Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**851**	**-**	**-**	**851**	**100**	**687**	**-**	**-**	**687**	**100**
Male	618	-	-	618	100	471	-	-	471	100
Female	233	-	-	233	100	216	-	-	216	100
Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/ of respective category (₹)	Number	Median remuneration/salary/ of respective category (₹)
Board of Directors (BoD)	3	1,600,000	2	1,175,000
Key Managerial Personnel*	2	10,772,345	1	16,758,753
Employees other than BoD and KMP	616	592,881	232	551,104
Workers	NA	NA	NA	NA

** Manoj Viswanathan (MD & CEO) is categorized as Key Managerial Personnel for the purpose of this table.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

- Chief Human Resources Officer overseas the human resource function and is responsible for addressing the same.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- The mechanism adopted for raising employee complaints can be used for raising human right complaints too.

6. Number of complaints on the following made by employees and workers:

	FY 2022 Current Financial Year			FY 2021 Current Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	NIL	There was one complaint raised during the year which is duly resolved.	NIL	NIL	No complaints received during the year
Discrimination at Workplace	NIL	NIL	No complaints received during the year	NIL	NIL	No complaints received during the year
Child Labour	NIL	NIL		NIL	NIL	
Forced Labour / Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other than human rights related issues	NIL	NIL		NIL	NIL	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- The Company has a Policy on Prevention of Sexual Harassment in the Workplace. The enquiry process ensures that the inquiry will be conducted confidentially. Further, the policy recognizes retribution or retaliation in the context of reporting acts of sexual harassment as a serious violation. The report and investigation of allegations of retaliation will follow the procedures set forth in this Policy and will be treated as an additional complaint and investigated similarly. Any person found to have retaliated against an individual for reporting harassment, or for participating in an investigation of allegations of such conduct, may expect the Company to impose severe disciplinary action.

  The Company also has and Equal Opportunity policy. We are committed to a policy of treating all its employees and job applicants equally and is intolerant towards discrimination and/or harassment based on gender, race, religion, age. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression.

  The Company also has a Vigil Mechanism and Whistle Blower Policy. The purpose of the Whistle Blower policy is to report any unethical practice observed without the risk of victimization, discrimination or disadvantage. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a protected disclosure under this Policy. The Company condemns any kind of discrimination, harassment victimization or any other unfair employment practice being adopted against the Whistle Blower.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No)**

- Yes, in business agreements and contracts where relevant.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	NIL
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages Others - please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

- Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

- There has been no case of human rights grievances and complaints; hence no changes to business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

- No specific human rights due diligence is conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

- Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled employees.

4. Details on assessment of value chain partners:

	% of your value chain partners (by value of business done with such partners) that were assessed (by entity or statutory authorities or third parties)
Child Labour	**NIL.** **No specific assessments have been carried out to this effect by the Company.**
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

- No corrective actions pertaining to the above question were required by the Company during the current year.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

- Given that the company is in the business of providing housing finance and a service-oriented company, our focus on environmental indicators is subdued. Currently, we are not tracking the same, but in future, we intend to track our consumption and usage.

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Current Financial Year)
Total electricity consumption (A)		
Total fuel consumption (B)		
Energyconsumption through other sources (C)		
Total energy consumption (A+B+C)		
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Not applicable

3. Provide details of the following disclosures related to water, in the following format:

- Not applicable

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Current Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water intensity (optional)–the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- Not applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

- Not applicable

Parameter	Please specify unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

- Company is a service-oriented company in the business of providing housing finance and has a very limited environmental impact in terms of greenhouse gas emissions. Our focus on environmental indicators is passive.

Parameter	Unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	*Metric tonnes of Co2 equivalent*		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of Co2 equivalent*		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- The Company has launched a project for Green Homes. Through this initiative, we are conducting

awareness programs for customers to use eco-friendly materials for building their homes. Further, we are in the process of development of a green calculator to determine the green evaluation mechanism for individual housing units. We have also undertaken a pilot study in Bangalore with GRIHA agency to determine the feasibility of this project and have successfully completed proof of concept. This measure will in turn help reduce green-house gas emissions. The Company is also tech-driven affordable housing finance company with digital initiatives in place across the business operations. More details available in Intellectual Chapter on page no. 72.

8. Provide details related to waste management by the entity, in the following format:

- Company is in the business of providing housing finance and is a service-oriented company.
- Our focus on waste management is limited in scope and pertains to office related waste.
- Our processes are largely digital and paperless.
- Regarding e-waste, company has an e-waste policy and has signed an agreement with a certified e-waste handler for disposal of e-waste.

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Current Financial Year)
Total Waste generated (in metric tonnes)		
Total waste **(A)**		
E-waste **(B)**	*	*
Bio-medical waste **(C)**		
Construction and demolition waste **(D)**		
Battery waste **(E)**		
Radioactive waste **(F)**		
Other Hazardous waste. Please specify, if any. **(G)**		
Other Non-hazardous waste generated. Please specify, if any. **(H)** (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

**We have disposed of 311 units of e-waste in FY21 and 161 units of e-waste in FY22.*

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- The Company is involved in the business of providing housing finance.
- Majority of our processes are digital, paper wastage is minimal.
- Company does not have any usage of hazardous and toxic chemicals.
- The Company has an e-waste policy and signed an agreement with a certified e-waste handler for disposal of e-waste.

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

- Not applicable

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

- Not applicable

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

- As the company is involved in the business of providing housing finance, there is no major emission of water and air pollution. As such, the company is not directly covered under the purview of the above-mentioned Acts.

S. No.	Specify the law/ regulation / guidelines which was not complied with	Provide details of thenon-ompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Not applicable

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)		
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:
   - Not applicable

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
-No treatment		
-With treatment – please specify level of treatment		
(ii) To Groundwater		
-No treatment		
-With treatment – please specify level of treatment		

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
(iii) To Seawater		
-No treatment		
-With treatment – please specify level of treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of treatment		
(v) Others		
-No treatment		
-With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

- Not applicable

For each facility / plant located in areas of water stress, provide the following information: Not applicable

4. Name of the area
5. Nature of operations
6. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water intensity (optional)–the relevant metric may be selected by the entity		

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
-No treatment		
-With treatment – please specify level of treatment		
(ii) To Groundwater		
-No treatment		
-With treatment – please specify level of treatment		
(iii) To Seawater		
-No treatment		
-With treatment – please specify level of treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of treatment		
(v) Others		
-No treatment		
-With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Please provide details of total Scope 3 emissions & its intensity, in the following format:

- Given that the company is in the business of providing housing finance and is a service-oriented company, our focus on environmental indicators is passive.

Parameter	Unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of Co2 equivalent*		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

8. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

- Not applicable

9. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Remote payment link is sent to customers to make payment – thus the effort to collect cash payments is reduced	The Relationship Manager can collect payments from customers remotely from anywhere using RM Pro App. The RM has to send the payment link using the app to the customer. The payment can be tracked on the App.	Reduced number of cash collections – saving time and efforts of the relationship manager and providing convenience to the customer as well. This also reduces fuel consumption and prevents health impact on our employees.
2	Digital loan agreements	Our customers can E-sign the loan agreements and do not have to come to the branch office physically to sign the document.	This feature provides convenience to the customer to execute the agreement at his/her home. Further, E-signing saves paper and storage space. This also reduces fuel consumption and prevents health impact on our employees.
3	Customer App	Customer App is a feature rich app that can be used for raising queries, downloading statement of account, making part payments, refer a prospective customer, locate the nearest branch, etc.	Customers don't have to visit the branch to avail these services -saving time, fuel and effort.
4	Directive to purchase 3 Star+ electronic Appliances	As an environmentally friendly and responsible company, we strive to use energy efficient appliances and consequently have issued the directive to purchase only such compliant devices henceforth.	Energy consumption is reduced due to usage of energy efficient devices.

10. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- Yes.

HomeFirst has Board approved policies on Business Continuity Plan and Disaster Recovery Plan. The policy document provides guidance for ensuring business continuity about people, process and technology.

Policy covers measures like business impact analysis, recovery strategies, business continuity / disaster recovery plans, governance program covering a testing plan, training and awareness program, communication and crisis management programme. These measures propagate effective business continuity management.

11. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

- Given that the company is in the business of providing housing finance, there has been no adverse impact to the environment.

12. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

- None

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

- We have membership with 2 trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National
1	ASSOCHAM (The Associated Chambers of Commerce and Industry of India)	National
2	NAREDCO (National Real Estate Development Council)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

- Not Applicable

Name of Authority	Brief of the case	Corrective action taken

Leadership Indicators

1. Details of public policy positions advocated by the entity:

- The company does not take part in lobbying and hasn't propagated any public policy positions.

S. No	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly/ Others – please specify)	Web Link, if available

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

- Not applicable.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

- Not applicable

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)

3. Describe the mechanisms to receive and redress grievances of the community.

- The company has mechanisms in place to receive and redress grievances of the community. As a service organization, customer service and customer satisfaction are of prime concern to Home First. We have a Customer Grievance Redressal policy. The objective of the policy is to have a clearly defined and easily accessible mechanism for dealing with and settlement of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal and review of customer grievances.
- The investors/shareholders can mail to following address or alternatively call on the given landline number:
  Home First Finance Company India Limited
  Mr. Shreyans Bachhawat, Company Secretary
  511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai 400 059
  Email: corporate@homefirstindia.com
  Tel No: 022 6694 0386
- Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who travel to the location (in case of conflict) or reach out on phone to resolve with the complaint / grievance / issue.

- Alternatively, the employees can raise complaint on the LEENA AI portal. The company follows an open-door policy and is a lean organization. Employees have access to the management/ business heads/HR to raise their concerns.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:
- Not applicable

	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district & neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
- Not applicable

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount Spent (in ₹)
1	Andhra Pradesh	Vizag, Vizianagaram	500,000
	Eye Cataract Surgery for underprivileged patients		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
(b) From which marginalized /vulnerable groups do you procure?
(c) What percentage of total procurement (by value) does it constitute?
- Although the Company does not have a specific procurement policy, all of our branches are encouraged to procure locally their stationary, supplies and housekeeping requirements. Each of the branches are given an expense card to ensure they pay electronically and support the local community with quick payouts. Further, through our connector channel, the company has tie-ups with small, local players in the construction eco-system for generating leads.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
- Not available

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. - Not applicable

Name of Authority	Brief of the case	Corrective action taken

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Project Sashakt- Empowerment of Migrant Factory Labourers and their families	880	100%
	Skilling and Employement	120	100%
	Healthcare	630	100%
	Child Education	50	100%
	Financial Literacy and awareness	80	100%
2	Mahila Shram Shakti Kendra- multipurpose centers exclusively for migrant women construction workers	4,475	100%
	Social Security	828	100%
	Health and Nutrition	3,248	100%
	Legal Aid and Education	228	100%
	Skill Training	114	100%
	Gender Sensitization	57	100%
3	COVID Care- Relief & Welfare	1,133	-
	Oxygen Concentrators	173	NA
	Livelihood Kits	960	100%
4	Army Welfare	NA	NA
5	Distribution of 4000 fruits trees to marginal farmers	4	100%
6	Developed Van Aushadhi Garden with 1000 herbal tree plantation.	NA	NA
7	Workplace Safety	5,720	100%
8	Sponsor treatment of 50 children towards elimination of clubfoot disability	50	100%

9	Sponsor treatment of 44 children towards elimination of Cleft lip	44	100%
10	Under privileged Cancer patient's care Donation of OT stretcher, Wheelchair, fowler beds & Ligasure (Covidean) to Cancer Hospital	NA	NA
11	Underprivileged cardiac patient's care (Upto age 18years)	NA	NA
12	Construction of OT in Trust hospital	NA	NA
13	Eye Cataract Surgery for underprivileged patients	100	100%
14	Installation of solar panels at the physiotherapy Centre	NA	NA

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- As a service organization, customer service and customer satisfaction are of prime concern to HomeFirst. We have a Customer Grievance Redressal policy. The objective of the policy is to have a clearly defined and easily accessible mechanism for dealing with and settlement of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal and review of customer grievances.

  All queries and complaints received at branches and through other communication channels are recorded in our CRM and the details of redressal of the same including turnaround times are placed before the Audit Committee every quarter for its review.

  Escalation matrix:

  The company has a *three-level escalation matrix* for handling customer grievances:

  a. Level-1

  Any aggrieved Customer of Home First can take up the grievance with the concerned Branch Manager of the Company or alternatively can call at **1800 3000 8425** or write it to us at loanfirst@homefirstindia.com. The Branch Manager is required to reply to the Customer within 7 working days from the date of receipt of the complaint in the office with a copy to the Regional Manager & Customer Service Department at Corporate office on loanfirst@homefirstindia.com.

  b. Level-2

  If the aggrieved customer is not satisfied with the reply provided by the Branch Manager or in case no reply is received within the stipulated period or the complaint is against the Branch Manager, the customer can escalate it to the Central Customer Service Team at the following email address query@homefirstindia.com.

  The Central Customer Service Team is required to dispose of the Complaint within 15 working days from receipt of the Complaint.

  c. Level 3

  If the aggrieved customer is not satisfied with the reply provided by the Central Customer Service Team or in case no reply is received within the stipulated period, the Customer shall escalate its complaint with the *Grievance Redressal Officer* at the following address:

  Grievance Redressal Officer
  511, Acme Plaza, Andheri Kurla Road, Andheri (East) Mumbai-400 059
  Phone: 022-28241485
  Email: complaints@homefirstindia.com

  The Grievance Redressal Officer is required to dispose of the complaint within 30 working days of receipt of the complaint in the Corporate Office.

Alternative Remedy:

If the aggrieved customer is not satisfied with the reply provided by the Grievance Redressal Officer also or in case no reply is received within the stipulated period, the customer can approach the National Housing Bank via the following modes:

Online mode: https:/grids.nhbonline.org.in
Offline mode: The customer can alternatively write it to National Housing Bank and can post the same to:

Complaint Redressal Cell
National Housing Bank
Department of Regulation and Supervision 4th Floor, Core 5A, India Habitat Centre, Lodhi Road New Delhi 110 003

Customer grievance resolution record:

- ✓ We have resolved more than 80% of the queries and complaints within our internal turnaround time (TAT) standards.
- ✓ Adoption of online channels for placing service queries / requests by customers have increased. During FY22, we have recorded 40,074 online queries / requests, a growth of 82% compared to FY21.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	- All our loan products and Most Important Terms and Conditions (MITCs) are completely transparent and disclose all product related details.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022 (Current Financial Year)		Remarks	FY 2021 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	NIL	NIL		NIL	NIL	
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:
-Not applicable

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

- Yes. The company has board approved Information Technology Policy, Information Security Policy, Cyber Security Policy- these are available to internal stakeholders. These policy covers cyber security and risks related to data privacy. The Company also has Privacy Policy hosted on the website. Link : https://homefirstindia.com/privacy/.

The Company also has an IT Strategy Committee headed by an Independent Director and coordinated by a senior officer for reviewing and management of the IT Strategic plans, Role Management of IT Team, Monitoring of Value delivery of IT resources, Project management of various ongoing projects, overall performance management of applications and utilization of IT Assets, IT Risk management on an ongoing basis. A formal review of IT Strategy Committee takes place atleast once in six months.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

- No penalties have been levied nor any regulatory actions have been taken for above related matter.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- We have all product details on our website as well as on our Customer Portal App. Website link: https://homefirstindia.com/.
Further, we have marketing collaterals for communication, social media handles. We also had come up with Homefirst gyaan series for product knowledge.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- We maintain high levels of transparency in our interactions with customers and this has helped us increase customer satisfaction and loyalty as reflected in our net promoter scores. We conduct mandatory counselling sessions at our branches to educate customers on the key terms of their loan agreements and to familiarize them with the entire loan disbursement and repayment process. The counselling happens during all interactions with customers.

Considering the kind of customers we have; we prefer educating them during telephonic/in-person interaction in their preferred language and we reiterate the same using push notifications / SMS's etc. The Most Important Terms and Conditions (MITCs) form part of the loan agreement and it provides extensive information to the customers about our products.

We have created video tutorials in regional languages to help customers use online payment methods. Following links can be referred.

English: https://bit.ly/3qrTSD3
Tamil: https://youtu.be/tYqKuITyr3s
Telugu: https://youtu.be/kWiG16ZAjfw
Kannada: https://youtu.be/dm3Et25RYCU
Marathi: https://youtu.be/zNSn0GEcFyY
Gujarati: https://youtu.be/lokY2eAGPnI

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- SMS Intimation is sent to the customers to inform them about any disruption/discontinuation of essential services. Our Customer App and Website also ensured that the customer service continues without any hiccup.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- Yes. HomeFirst is customer focused and believes in being transparent in all our transactions.

Our loan agreement has Most Important Terms and Conditions (MITC), they are also displayed in branches as well as hosted on our website. All customers have to read and sign the loan agreement at the time of loan sanction. We also display the processing fees and other charges in our branches as well as on our website. Further, we provide the easy pre-payment facilities for our customers through their mobile app.

We are a customer centric organization and believe in taking customer feedback for continuous improvement in our services. We also disclose the net promoter scores in our quarterly investor presentation.

5. Provide the following information relating to data breaches:

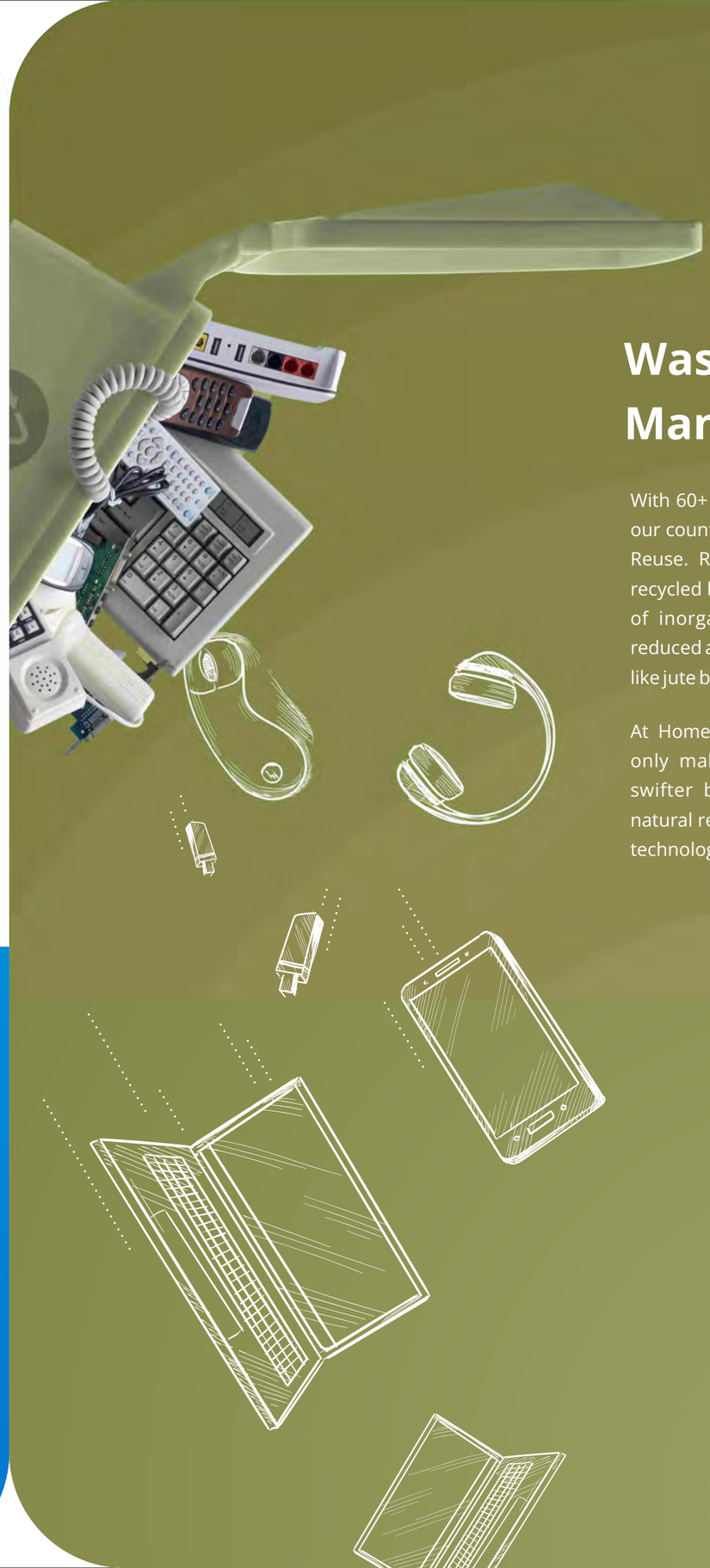
a. Number of instances of data breaches along-with impact.

b. Percentage of data breaches involving personally identifiable information of customers.

- There were no instances of data breach during the year.

Financial Statements and Assurance

Report



Waste Management

With 60+ million tonnes of waste generated by our country every year, the mantra is - Reduce. Reuse. Recycle. While organic waste can be recycled by installing small compost pits, usage of inorganic materials like plastic must be reduced and replaced with eco-friendly material like jute bags.

At HomeFirst, adopting more technology not only makes processes more unbiased and swifter but also helps prevent wastage of natural resources. From e-KYC to e-verification, technology helps us save both paper and fuel.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Home First Finance Company India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 on the financial statements.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment of loans	Principal audit procedures performed
Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:	We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.

Key Audit Matter	Auditor's Response
Impairment of loans	**Principal audit procedures performed**
Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, The segmentation of financial assets when their ECL is assessed on a collective basis, Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and Assessment of qualitative factors having an impact on the credit risk. The are disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 1.3 and note 4.1 to the financial statements.	We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports") but does not include financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

  When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 financial statements, 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 financial 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 system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements as at and for the year ended March 31, 2021, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial statements dated May 03, 2021 expressed an unmodified opinion.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Auditors' Report

e) On the basis of the written representations received from the directors as and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at year-end which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 53 to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 53 to the financial statements.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 22109839AIIAML9409)

Place: Mumbai
Date: May 3, 2022

Auditors' Report

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **HOME FIRST FINANCE COMPANY INDIA LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Auditors' Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 22109839AIIAML9409)

Place: Mumbai
Date: May 3, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification of Property, Plant and Equipment, so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a) The Company does not have any inventory and hence, reporting under clause 3 (ii)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising book debts statement filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:

a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 1.3 to the Financial Statements explains the Company's accounting policy relating to impairment of

financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹1,026.13 million were categorised as credit impaired ("Stage 3") and ₹718.44 million were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 4.1 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹42,321.03 million, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹779.61 million were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹577.25 million. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Act. Hence reporting under paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

c) There were no dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2022.

(viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.

d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.

(xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its

directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi) a, b and c of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

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

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 22109839AIIAML9409)

Place: Mumbai
Date: May 3, 2022

Annual Accounts

Balance Sheet as at 31 March 2022

(₹ in million)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	2	6,177.60	2,094.17
Bank balance other than cash and cash equivalents	3	500.89	4,704.51
Loans	4	43,048.66	33,265.00
Investments	5	-	3,750.15
Other financial assets	6	1,150.00	1,011.65
Total financial assets		**50,877.15**	**44,825.48**
Non-financial assets			
Current tax assets (net)	7	0.69	26.97
Property, plant and equipment	8	90.97	90.91
Right of use assets	8	109.00	73.10
Other intangible assets	8	2.35	2.68
Other non-financial assets	9	88.49	82.41
Total non-financial assets		**291.50**	**276.07**
Total Assets		**51,168.65**	**45,101.55**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	10		
- Total outstanding dues of micro enterprises and small enterprises		-	0.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises		62.05	47.99
Debt securities	11	1,687.82	2,395.86
Borrowings (other than debt securities)	12	32,979.85	28,141.03
Other financial liabilities	13	569.10	534.78
Total financial liabilities		**35,298.82**	**31,120.14**
Non-financial liabilities			
Provisions	14	45.36	32.36
Deferred tax liabilities (net)	26.2	17.39	79.58
Other non-financial liabilities	15	70.23	64.04
Total non-financial liabilities		**132.98**	**175.98**
Total liabilities		**35,431.80**	**31,296.12**
Equity			
Equity share capital	16	175.27	174.80
Other equity	17	15,561.58	13,630.63
Total equity		**15,736.85**	**13,805.43**
Total Liabilities and Equity		**51,168.65**	**45,101.55**

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 03 May 2022

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 03 May 2022

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 03 May 2022

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 03 May 2022

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 03 May 2022

Statement of profit and loss for the year ended 31 March 2022

(₹ in million, except per share data)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest income	18	5,116.95	4,301.18
Fees and commission income		13.18	16.74
Net gain on fair value changes	19	136.72	120.00
Net gain on derecognition of financial instruments under amortised cost category		678.34	439.35
Other operating income	20	11.51	13.91
Total revenue from operations		**5,956.70**	**4,891.18**
Other income	21	0.31	0.43
Total income		**5,957.01**	**4,891.61**
Expenses			
Finance costs	22	2,156.67	2,173.99
Impairment on financial instruments	23	250.22	321.53
Employee benefits expense	24	807.70	661.26
Depreciation and amortisation	8	75.21	76.24
Other expenses	25	404.26	318.16
Total expenses		**3,694.06**	**3,551.18**
Profit before tax		**2,262.95**	**1,340.43**
Tax expense:			
- Current tax	26	446.83	289.48
- Deferred tax	26	75.27	49.53
- Tax pertaining to earlier years	26	(120.13)	-
Total tax expense		**401.97**	**339.01**
Profit after tax		**1,860.98**	**1,001.42**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(4.27)	(4.38)
- Income tax relating to items that will not be reclassified to profit or loss		1.07	1.10
Other comprehensive income, net of income tax		**(3.20)**	**(3.28)**
Total comprehensive income		**1,857.78**	**998.14**
Earnings per equity share	27		
Basic earnings per share (₹)		21.26	12.37
Diluted earnings per share (₹)		20.85	12.18
Face value of equity shares (₹)		2.00	2.00

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 03 May 2022

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 03 May 2022

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 03 May 2022

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 03 May 2022

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 03 May 2022

Annual Accounts

Statement of changes in equity for the year ended 31 March 2022

Equity share capital (Refer note 16)

(₹in million)

Particulars	No. of shares	Amount
Balance as at 1 April 2020	**78,297,715**	**156.60**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2020	**78,297,715**	**156.60**
Changes in equity share capital during the year	9,102,012	18.20
Balance as at 1 April 2021	**87,399,727**	**174.80**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	**87,399,727**	**174.80**
Changes in equity share capital during the year	233,976	0.47
Balance as at 31 March 2022	**87,633,703**	**175.27**

Other equity (Refer note 17)

(₹in million)

Particulars	Share application money pending allotment	Reserves and surplus				Other Comprehensive Income	Total Other Equity
		Statutory reserve	Securities premium	Stock options outstanding account	Retained earnings	Remeasurements of defined benefit plans	
Balance as at 1 April 2020	-	**341.54**	**7,539.75**	**74.37**	**1,224.57**	**(2.57)**	**9,177.66**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1 April 2020	**-**	**341.54**	**7,539.75**	**74.37**	**1,224.57**	**(2.57)**	**9,177.66**
Profit for the year	-	-	-	-	1,001.42	-	1,001.42
Share application money received during the year	0.11	-	-	-	-	-	0.11
Other comprehensive income / (loss) for the year	-	-	-	-	-	(3.28)	(3.28)
Expenses on employee stock options scheme for the year	-	-	-	31.72	-	-	31.72
Transfer to statutory reserves from retained earnings	-	200.40	-	-	(200.40)	-	-
Premium on issue of share capital	-	-	3,529.10	-	-	-	3,529.10
Exercise of stock options outstanding	-	-	8.92	(8.92)	-	-	-
Share issue expenses	-	-	(106.10)	-	-	-	(106.10)
Stock options lapsed	-	-	-	(1.01)	1.01	-	-
Balance as at 31 March 2021	**0.11**	**541.94**	**10,971.67**	**96.16**	**2,026.60**	**(5.85)**	**13,630.63**
Balance as at 1 April 2021	**0.11**	**541.94**	**10,971.67**	**96.16**	**2,026.60**	**(5.85)**	**13,630.63**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1 April 2021	**0.11**	**541.94**	**10,971.67**	**96.16**	**2,026.60**	**(5.85)**	**13,630.63**
Profit for the year	-	-	-	-	1,860.98	-	1,860.98
Share application money adjusted against shares issued during the year	(0.11)	-	-	-	-	-	(0.11)
Other comprehensive income / (loss) for the year	-	-	-	-	-	(3.20)	(3.20)
Expenses on employee stock options scheme for the year	-	-	-	46.74	-	-	46.74
Transfer to statutory reserves from retained earnings	-	375.00	-	-	(375.00)	-	-
Premium on issue of share capital	-	-	27.65	-	-	-	27.65
Exercise of stock options outstanding	-	-	5.36	(5.36)	-	-	-
Share issue expenses	-	-	(1.11)	-	-	-	(1.11)
Balance as at 31 March 2022	**-**	**916.94**	**11,003.57**	**137.54**	**3,512.58**	**(9.05)**	**15,561.58**

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 03 May 2022

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 03 May 2022

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 03 May 2022

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 03 May 2022

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 03 May 2022

Statement of cash flows for the year ended 31 March 2022 (₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	2,262.95	1,340.43
Adjusted for:		
Interest income measured at amortised cost	(4,770.44)	(4,061.31)
Interest expense measured at amortised cost	2,148.15	2,165.84
Income on derecognised (assigned) loans	(373.10)	(253.87)
Depreciation and amortisation	75.21	76.24
Interest income on bank deposits	(127.78)	(124.47)
Loss on sale of property, plant and equipment (net)	1.22	3.59
Financial lease liability	8.31	7.82
Unrealised gain on investments	7.33	(6.75)
Impairment on financial instruments	250.22	321.53
Fair valuation of ESOPs	46.74	31.72
Operating profit before working capital changes and adjustment for interest received and paid	**(471.19)**	**(499.23)**
Adjustment for working capital:		
- (Increase) in loans given	(10,022.23)	(3,460.95)
- Decrease/ (Increase) in other financial assets	224.38	(101.40)
- (Increase)/ Decrease in other non financial assets	(17.62)	25.52
- Increase in trade payables	13.58	44.15
- Increase in other financial liabilities	85.54	59.60
- Increase/ (Decrease) in other non financial liabilities	9.69	(2.18)
- Increase/ (Decrease) in provisions	6.93	(38.78)
Cash used in operating activities before adjustment for interest received and paid	**(10,170.92)**	**(3,973.27)**
- Interest income received	4,765.63	4,075.28
- Interest expense paid	(2,228.16)	(2,033.16)
Cash used in operating activities	**(7,633.45)**	**(1,931.15)**
Income tax paid (net)	(436.81)	(298.19)
Net cash used in operating activities [A]	**(8,070.26)**	**(2,229.34)**
Cash flows from investing activities:		
Purchase of property, plant and equipment and other intangible assets	(35.24)	(26.47)
Proceeds from sale of property, plant and equipment and other intangible assets	0.65	1.30
Purchase of investments	(31,684.10)	(24,371.90)
Proceeds from redemption of investments	35,426.92	22,084.08
Net proceeds from bank deposits	4,186.65	(3,958.18)
Interest received on bank deposits	144.75	121.46
Net cash generated from / (used in) investing activities [B]	**8,039.63**	**(6,149.71)**
Cash flows from financing activities:		
Proceeds from issuance of share capital (including share premium)	28.12	3,547.30
Share application money (adjusted)/ received	(0.11)	0.11
Share issue expenses	(1.11)	(106.10)
Proceeds from borrowings from banks and financial institutions	13,070.00	10,111.00
Repayment of borrowings from banks and financial institutions	(8,251.53)	(6,911.69)
Repayment of lease liability	(46.11)	(44.57)
Proceeds from issue of non-convertible debentures	990.00	2,400.00
Repayment of debt securities	(1,700.00)	-
Proceeds from/ (Repayment of) demand loans	24.80	(0.06)
Net cash generated from financing activities [C]	**4,114.06**	**8,995.99**

Statement of cash flows for the year ended 31 March 2022

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net increase in cash and cash equivalents [A+B+C]	**4,083.43**	**616.94**
Cash and cash equivalents at the beginning of the year	2,094.17	1,477.23
Cash and cash equivalents at the end of the year (Refer note 2)	**6,177.60**	**2,094.17**
Components of cash and cash equivalents:		
Cash on hand	0.37	0.36
Balances with banks		
- with banks in current accounts	2,569.07	1,684.00
- held as wallet money	0.79	0.74
- deposits with original maturity of 3 months or less	3,607.37	409.07
Cash and cash equivalents	**6,177.60**	**2,094.17**

Changes in liabilities arising from financing activities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance (Borrowings and debt securities) as at 1 April 2021	30,536.89	24,938.05
Proceeds from borrowings	13,070.00	10,111.00
Proceeds from issue of non-convertible debentures	990.00	2,400.00
Repayments of borrowings	(8,251.53)	(6,911.69)
Repayments of debt securities	(1,700.00)	-
Proceeds/ (Repayment) of demand loans	24.80	(0.06)
Others	(2.49)	(0.41)
Closing balance (Borrowings and debt securities)	**34,667.67**	**30,536.89**

Cash flow statement has been prepared under indirect method as set out in the Ind AS 7 - Statement of Cash Flows.

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 03 May 2022

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
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Chief Financial Officer
Place: Mumbai
Date: 03 May 2022

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 03 May 2022

Company information

Significant accounting policies and other explanatory information. Home First Finance Company India Limited (the 'Company') is a Housing Finance Company founded on 03 February 2010 with offices across various cities in India. It's registered office is located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company obtained its license to carry on the business of a housing finance institution from National Housing Bank ('NHB') on 11 August 2010. The Company was converted to a public limited Company with effect from 14 March 2018. The Company's equity shares were listed on National Stock Exchange of India Limited (NSE) and on BSE Limited (BSE) on 03 February 2021.

The Company is primarily engaged in the business of lending of housing loans, loans for the purpose of purchasing a commercial property, loan against property and construction finance.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

Statement of Compliance

The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows (the "financial statements") have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India ("RBI") to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment II rules issued thereafter. Details of the Company's accounting policies are disclosed below.

Presentation of Financial Statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". As required by Division III issued under Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in the order of liquidity.

Functional and presentation currency

The financial statements are prepared in Indian Rupees (₹) rounded off to the nearest million unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the Company.

Fair value is the price that is likely to be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 share based payment, leasing transactions that are within the scope of Ind AS 116 Leases.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date.
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

1.2 Use of estimates and judgments

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of these estimates include useful lives of property, plant and equipment, expected credit loss allowance, future obligations under employee retirement benefit plans, income taxes, business model assessment, share-based payments expenses, determination of prepayment rate, discounting rates, determining lease parameters, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Business model assessment

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Company considers the frequency, volume and timing of sale of portfolios in prior period, the reason for such sale of portfolios, and its expectations about future sales activity. However, information about sale of portfolios activity is not considered in isolation, but as part of a holistic assessment of how Company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sale of portfolios in the context of the reasons for those sale of portfolios and the conditions that existed at that time as compared to current conditions.

Based on this assessment of current conditions and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (the 'SPPI criterion').

The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Impairment of financial assets

The measurement of impairment losses on across all categories of financial assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the calculation of Probability of Defaults (PDs), Loss Given Default (LGD)
- Assessment of qualitative factors having an impact on the credit risk

The measurement of all expected credit losses for financial assets held at the reporting date is based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of Probability of Defaults (PDs), Loss Given Default (LGD), a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (Refer note 4 and 32).

iii) Income taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for certain tax positions.

iv) Share-based payments

Estimating fair value for share-based payment transaction requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

v) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1.3 Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those financial assets classified as at fair value through profit and loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in the statement of profit and loss.

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through the statement of profit and loss), and
- those measured at amortised cost.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

Financial instruments at FVTPL/FVOCI - For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other comprehensive income. Investments in equity instruments are classified as FVTPL unless the Company irrevocably elects at initial recognition to present subsequent changes in fair value through other comprehensive income (FVOCI) for Investments in equity instruments which are not held for trading.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly, the measurement principles applicable to the new classification will be applied. During the

current financial year ended 31 March 2022 and previous accounting year, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The measurement of ECL is calculated using three main components:
(i) probability of default (PD);
(ii) loss given default (LGD); and
(iii) the exposure at default (EAD).

Probability of Default (PD) is the probability of whether borrowers will default on their obligations which are calculated based on historical default rate summary of past years using vintage analysis.

Loss Given Default (LGD) is an estimate of the loss from a financial asset given that a default occurs. The LGD is computed using the Company's own loss and recovery experience. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and the EAD. The 12 months and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instruments respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as Stage 1. The Company has provided ECL on the undisbursed loan commitments classified under Stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as Stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for the financial asset since initial recognition by comparing the risk of a default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

Stage 3: Lifetime ECL – credit impaired

A financial asset is assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For a financial asset that has become credit-impaired, a lifetime ECL is recognised on principal

outstanding as at the year end. Exposures with DPD equal to or more than 90 days are classified as Stage 3.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when the accounts are overdue for more than 30 days. Accounts that are overdue for 90 days or more are moved to Stage 3.

Inputs, assumptions and estimation techniques used for estimating ECL: Refer note 4

De-recognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit and loss.

On derecognition of a part of financial asset in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit and loss.

Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-months or lifetime ECL.
The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days + cases identified by the Company as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Company.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators.

Write-offs

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case-by-case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Collateral Valuation and Repossession

The Company provides fully secured loans to individuals and Corporates to mitigate the credit risk on financial assets, the Company seeks to use

collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI"). In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification, are no longer SPPI, change of counterparty, the extent of change in interest rates, maturity, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If there is a significant difference in present value, the Company deems the arrangement substantially different, leading to derecognition.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification does not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance is continued to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans is generally measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

ii) Financial liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the

Company's equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at FVTPL. Financial liabilities are never reclassified.

Initial recognition and measurement

A financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that are attributable to the acquisition of the financial liability. Cost equates the fair value on the acquisition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.4 Property, plant and equipment, other intangible assets

Property, plant and equipment and other intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and other intangible assets not ready for their intended use before such date is disclosed under Capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Depreciation and Amortisation

Depreciation in respect of assets is provided on the Straight-Line Method as per Schedule II of the Act. Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company follows estimated useful lives which are given under Part C of Schedule II of the Act.

The estimated useful lives of items of property, plant and equipment for the current period is as follows:

Property, plant and equipment	Estimated useful life (In years)
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
Other intangible assets	
Computer software	3

Property, plant and equipment purchased/ sold during the year are depreciated on a pro-rata basis.

1.5 Revenue Recognition

i) Interest income

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Effective Interest Rate ("EIR")

EIR is the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset (Gross Value less ECL provision). If the financial assets cures and are no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

ii) Fees and other revenue

Fees income includes fees other than those that are an integral part of EIR. The Company recognises such fees income in accordance with the terms of relevant contracts/ agreements with the customers.

iii) Investment income

Income from investments made in units of mutual funds is measured at FVTPL and presented under net gain on fair value changes.

iv) Income from transfer and servicing of assets

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the statement of profit and loss.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in statement of profit and loss.

v) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.6 Taxes on income

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to an item that is recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses un-recognised deferred tax assets. It recognises un-recognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Leases:

The Company's leased assets primarily consist of leases for buildings. The Company assesses whether a contract contains a lease as defined under Ind AS 116 – Leases, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;
ii. the Company has substantially all of the economic benefits from the use of the asset through the period of the lease; and
iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low-value assets.

For these short-term and low-value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the balance sheet.

1.8 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit and loss.

1.9 Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash-generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. The impairment loss is recognised in the statement of profit and loss. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

1.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits with banks and financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

1.12 Commitments

Commitments are future contractual liabilities, classified and disclosed as follows:

a. The estimated amount of contracts remaining to be executed on capital account and not provided for;
b. Uncalled liability on shares;
c. Undisbursed commitment relating to loans; and
d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.13 Employee benefits

i. Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

The Company contributes 10% of the basic salary for certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension management companies. The Company also gives an option to its employees to receive the amount in lieu of such contribution along with the monthly salary during their employment.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include salaries, wages, performance incentive, short term compensated absences and expected cost of bonus which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

1.14 Share-based payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-

settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in Note 35.

The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.15 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share.

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) attributable to equity shareholders by the weighted average number of equity shares outstanding. The weighted average number of equity shares outstanding is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

1.16 Share issue expense

Share issue expenses are adjusted from the share premium account in terms of section 52 of the Act.

1.17 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs primarily include interest on amounts borrowed for the revenue operations of the Company. These are expensed to the statement of profit and loss using the EIR. All other Borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.18 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.

1.19 Goods and Services Tax Input Credit

Goods and Services tax input credit is recognised in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

1.20 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.21 Segments

The Company's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate or certain other purposes, in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

STANDARD ISSUED BUT NOT YET EFFECTIVE

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

2 Cash and cash equivalents

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.37	0.36
Balances with banks in current accounts	2,569.07	1,684.00
Balances with the banks held as wallet money	0.79	0.74
Deposits with original maturity of 3 months or less	3,607.37	409.07
	6,177.60	**2,094.17**

Note: Refer note 11 and 12(i) below

3 Bank balance other than cash and cash equivalents

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than 3 months but less than 12 months*	360.89	3,777.38
Deposits with original maturity of more than 12 months*	140.00	927.13
	500.89	**4,704.51**

*Bank deposits include deposits of ₹ 362.00 million (31 March 2021: ₹ 438.37 million) held as security against the bank guarantee. Also, bank deposits of ₹ 50.00 million (31 March 2021: ₹ 50.00 million) is held as security against the bank overdraft.

Note: Refer note 11 and 12(I) below

4 Loans

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Secured		
Loans carried at amortised cost		
Term loans (gross)*	43,515.16	33,717.98
Total gross	**43,515.16**	**33,717.98**
Less - Impairment loss allowance (Refer note 4.1 (a))	(466.50)	(452.98)
Total term loans (net)	**43,048.66**	**33,265.00**

* The term loans are secured by tangible assets. Further, all the term loans are disbursed in India to parties other than public sector.

4. Impairment allowance

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

(₹ in million)

Home loan	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	29,289.80	700.46	587.34	**30,577.60**	26,914.67	251.60	298.54	**27,464.81**
New assets originated/significant increase in credit risk	17,237.27	49.77	50.70	**17,337.74**	10,084.25	51.67	40.00	**10,175.92**
Assets derecognised or repaid	(8,758.93)	(155.87)	(190.92)	**(9,105.72)**	(6,772.73)	(88.69)	(78.43)	**(6,939.85)**
Amounts written off (Refer note 23)	(15.98)	(22.97)	(174.60)	**(213.55)**	(6.21)	(9.32)	(107.75)	**(123.28)**
Transfers from Stage 1	(858.99)	409.93	449.06	-	(982.72)	638.12	344.60	-
Transfers from Stage 2	148.51	(396.30)	247.79	-	50.35	(145.42)	95.07	-
Transfers from Stage 3	28.92	4.22	(33.14)	-	2.19	2.50	(4.69)	-
Gross carrying amount - closing balance	**37,070.60**	**589.24**	**936.23**	**38,596.07**	**29,289.80**	**700.46**	**587.34**	**30,577.60**

(₹ in million)

Home loan	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	91.83	100.41	210.05	**402.29**	115.71	31.89	77.33	**224.93**
New assets originated/significant increase in credit risk	63.40	57.09	158.11	**278.60**	36.59	88.57	165.96	**291.12**
Assets derecognised or repaid	(71.40)	(18.75)	(34.54)	**(124.69)**	(59.52)	(5.84)	(4.63)	**(69.99)**
Amounts written off	(0.23)	(6.69)	(124.46)	**(131.38)**	(0.08)	(1.43)	(42.26)	**(43.77)**
Transfers from Stage 1	(5.16)	2.35	2.81	-	(7.46)	4.78	2.68	-
Transfers from Stage 2	20.93	(56.54)	35.61	-	6.09	(18.25)	12.16	-
Transfers from Stage 3	7.50	1.10	(8.60)	-	0.50	0.69	(1.19)	-
ECL allowance - closing balance	**106.87**	**78.97**	**238.98**	**424.82**	**91.83**	**100.41**	**210.05**	**402.29**

(₹ in million)

Loan against property	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	2,204.42	63.20	19.62	**2,287.24**	1,808.90	21.16	4.65	**1,834.71**
New assets originated / significant increase in credit risk	2,295.37	3.32	1.83	**2,300.52**	714.13	4.36	1.99	**720.48**
Assets derecognised or repaid	(369.85)	(11.86)	(13.82)	**(395.53)**	(260.74)	(3.33)	(0.96)	**(265.03)**
Amounts written off (Refer note 23)	(0.12)	(0.02)	(0.88)	**(1.02)**	(1.16)	-	(1.76)	**(2.92)**
Transfers from Stage 1	(81.37)	36.08	45.29	-	(63.14)	51.06	12.08	-
Transfers from Stage 2	12.61	(29.80)	17.19	-	6.43	(10.64)	4.21	-
Transfers from Stage 3	0.51	-	(0.51)	-	-	0.59	(0.59)	-
Gross carrying amount - closing balance	**4,061.57**	**60.92**	**68.72**	**4,191.21**	**2,204.42**	**63.20**	**19.62**	**2,287.24**

(₹in million)

Loan against property	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	21.25	6.85	4.87	**32.97**	19.11	1.92	1.38	**22.41**
New assets originated/significant increase in credit risk	3.63	4.96	8.03	**16.62**	7.15	5.44	4.01	**16.60**
Assets derecognised or repaid	(16.90)	(1.23)	(3.96)	**(22.09)**	(4.72)	(0.35)	(0.12)	**(5.19)**
Amounts written off	(0.04)	-	(0.01)	**(0.05)**	(0.07)	-	(0.78)	**(0.85)**
Transfers from Stage 1	(0.81)	0.35	0.46	-	(0.74)	0.58	0.16	-
Transfers from Stage 2	1.29	(3.40)	2.11	-	0.52	(0.87)	0.35	-
Transfers from Stage 3	0.14	-	(0.14)	-	-	0.13	(0.13)	-
ECL allowance - closing balance	**8.56**	**7.53**	**11.36**	**27.45**	**21.25**	**6.85**	**4.87**	**32.97**

(₹in million)

Commercial loan	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	362.24	9.68	3.19	**375.11**	340.46	2.71	1.43	**344.60**
New assets originated/ significant increase in credit risk	196.57	0.28	0.32	**197.17**	72.08	0.68	0.40	**73.16**
Assets derecognised or repaid	(68.35)	(2.91)	(1.35)	**(72.61)**	(39.45)	(0.54)	(0.08)	**(40.07)**
Amounts written off (Refer note 23)	-	-	(0.33)	**(0.33)**	(1.12)	-	(1.46)	**(2.58)**
Transfers from Stage 1	(13.26)	6.80	6.46	-	(11.75)	9.54	2.21	-
Transfers from Stage 2	1.59	(3.57)	1.98	-	2.02	(2.71)	0.69	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount - closing balance	**478.79**	**10.28**	**10.27**	**499.34**	**362.24**	**9.68**	**3.19**	**375.11**

(₹in million)

Commercial loan	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3.52	1.19	0.82	**5.53**	3.66	0.31	0.34	**4.31**
New assets originated/significant increase in credit risk	1.96	1.04	1.57	**4.57**	0.90	1.08	0.69	**2.67**
Assets derecognised or repaid	(0.59)	(0.44)	(0.17)	**(1.20)**	(1.10)	-	-	**(1.10)**
Amounts written off	(0.42)	-	(0.42)	**(0.84)**	(0.01)	-	(0.34)	**(0.35)**
Transfers from Stage 1	(0.12)	0.05	0.07	-	(0.14)	0.11	0.03	-
Transfers from Stage 2	0.15	(0.45)	0.30	-	0.21	(0.31)	0.10	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**4.50**	**1.39**	**2.17**	**8.06**	**3.52**	**1.19**	**0.82**	**5.53**

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (cont...):

(₹in million)

Construction finance	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	466.52	0.00	11.51	**478.03**	745.89	5.85	10.74	**762.48**
New assets originated/ significant increase in credit risk	0.22	-	-	**0.22**	23.65	-	0.77	**24.42**
Assets derecognised or repaid	(236.26)	(1.95)	(1.12)	**(239.33)**	(308.87)	-	-	**(308.87)**
Amounts written off (Refer note 23)	-	-	(10.38)	**(10.38)**	-	-	-	-
Transfers from Stage 1	(51.55)	51.55	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	5.85	(5.85)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount - closing balance	**178.93**	**49.60**	**0.01**	**228.54**	**466.52**	**0.00**	**11.51**	**478.03**

(₹in million)

Construction finance	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4.40	0.00	7.79	**12.19**	13.36	0.28	2.18	**15.82**
New assets originated/significant increase in credit risk	-	3.99	-	**3.99**	0.22	-	5.61	**5.83**
Assets derecognised or repaid	(2.22)	-	(7.79)	**(10.01)**	(9.46)	-	-	**(9.46)**
Amounts written off	-	-	-	-	-	-	-	-
Transfers from Stage 1	(0.49)	0.49	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	0.28	(0.28)	-	**0.00**
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**1.69**	**4.48**	**0.00**	**6.17**	**4.40**	**0.00**	**7.79**	**12.19**

4.1(b) **An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is as follows:**

(₹in million)

Loan commitments	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	5,785.15	21.62	33.19	**5,839.96**	5,764.19	58.49	57.94	**5,880.62**
New assets originated/significant increase in credit risk	6,103.22	6.04	1.39	**6,110.65**	4,548.94	0.42	-	**4,549.36**
Assets derecognised or repaid	(4,460.09)	(10.75)	(28.09)	**(4,498.93)**	(4,544.72)	(6.55)	(38.75)	**(4,590.02)**
Transfers from Stage 1	(90.68)	72.03	18.65	-	(31.25)	18.53	12.72	-
Transfers from Stage 2	2.76	(12.09)	9.33	-	47.53	(50.38)	2.85	-
Transfers from Stage 3	0.89	-	(0.89)	-	0.46	1.11	(1.57)	-
Gross carrying amount - closing balance	**7,341.25**	**76.85**	**33.58**	**7,451.68**	**5,785.15**	**21.62**	**33.19**	**5,839.96**

(₹ in million)

Loan commitments	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	9.48	-	-	**9.48**	9.11	-	-	**9.11**
New assets originated/significant increase in credit risk	9.58	-	-	**9.58**	7.65	-	-	**7.65**
Assets derecognised or repaid	(7.78)	-	-	**(7.78)**	(7.28)	-	-	**(7.28)**
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**11.28**	**-**	**-**	**11.28**	**9.48**	**-**	**-**	**9.48**

4.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes.

Definition of default

The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become equal to or more than 90 days past due on its contractual payments. These assets continue to be classifed as Stage 3 till the entire overdues are received, in accordance with RBI guidelines and the ECL Policy. The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default

Probability of default (PD) represents the likelihood of default over a defined time horizon.

Loss given default

LGD has been calculated by taking into account the recovery experience across the Company's loan accounts post default. The recoveries are tracked and discounted to the date of default using the interest rate.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due and when the accounts have been restructured under the RBI 'Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses' Guidelines.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis

As explained above, the Company calculates ECL on a collective basis on the following asset classes:
- Home loans
- Loan against property
- Commercial loan
- Construction finance

Risk assessment model
The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral include residential and commercial properties. The collateral presented relates to instruments that are measured at amortised cost.

Assets possessed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Loan Portfolio includes gross loans amounting to ₹ 160.27 million (31 March 2021: ₹2.57 million) against which the Company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against these loans is ₹ 172.51 million (31 March 2021: ₹ 2.43 million). Value of repossessed assets for loans written off is ₹ 25.06 million (31 March 2021: ₹ 10.14 million).

5 Investments

	Number of units		₹ in million	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
At fair value through profit and loss				
Unquoted: Mutual funds				
Sundaram money fund	-	6,474,421	-	280.95
Kotak liquid fund	-	33,115	-	137.73
SBI liquid fund	-	67,277	-	216.74
INVESCO India liquid fund	-	46,801	-	132.26
IDFC cash fund	-	52,847	-	131.38
Nippon India mutual fund	-	46,997	-	236.52
Tata liquid fund	-	54,397	-	176.66
UTI liquid plan	-	61,801	-	208.30
Axis liquid fund	-	93,377	-	213.35
HSBC liquid fund	-	75,731	-	155.16
L&T liquid fund	-	46,776	-	131.86
Mirae cash management fund	-	157,291	-	341.55
Baroda liquid fund	-	136,201	-	322.70
LIC liquid fund	-	89,782	-	335.50
Aditya Birla Sunlife liquid fund	-	639,195	-	211.91
HDFC liquid fund	-	37,752	-	152.73
ICICI prudential liquid fund	-	601,367	-	183.26
DSP liquidity fund	-	61,739	-	181.59
	-	**8,776,867**	-	**3,750.15**
Investment in India			-	3,750.15
Investment outside India			-	-
			-	**3,750.15**

Refer Note 31 B (iii) for price risk sensitivity

6 Other financial assets

(₹ in million)

	As at 31 Mar 2022	As at 31 Mar 2021
Receivables from assigned portfolio*	1,121.12	748.02
Less: provision for expected credit loss	(18.74)	(9.17)
Security deposits	20.73	18.90
Salary advance to employees	19.62	12.28
Other deposits	0.09	30.18
Other receivables **	7.18	211.44
	1,150.00	**1,011.65**

*With respect to assignment deals, Company has created an interest receivable strip, with corresponding credit to statement of profit and loss for the year, which has been computed by discounting excess interest spread to present value.

** Other receivables as at 31 March 2021 included ₹ 144.85 million (including unutilised IPO proceeds) pertaining to expenses incurred towards securities offering which was receivable from the public offer account (escrow account) on settlement of all the expenses incurred towards the initial public offer, which has been utilised and settled during the year ended 31 March 2022.

7 Current tax assets (net)

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provisions)*	0.69	26.97
	0.69	**26.97**

*Net of provision for tax ₹ 443.06 million (31 March 2021: ₹ 292.28 million)

8. Property, plant and equipment and other intangible assets

(₹ in million)

	Property, plant and equipment						Other intangible assets	
	Furniture and fixtures	Office equipment	Computers	Leasehold improve-ments	Right of use assets	Total tangible assets	Computer software	Total other intangible assets
Gross carrying value								
As at 1 April 2020	**62.68**	**16.89**	**45.94**	**46.56**	**164.05**	**336.12**	**18.24**	**18.24**
Additions for the year ended 31 March 2021	0.76	4.88	7.28	13.35	74.57	100.84	1.08	1.08
Sale / deletion for the year ended 31 March 2021	(2.97)	(1.45)	(18.64)	(1.36)	(123.25)	(147.67)	-	-
As at 31 March 2021	**60.47**	**20.32**	**34.58**	**58.55**	**115.37**	**289.29**	**19.32**	**19.32**
Additions for the year ended 31 March 2022	4.74	3.67	15.36	11.69	78.45	113.91	1.74	1.74
Sale / deletion for the year ended 31 March 2022	(2.43)	(0.21)	(4.19)	-	(27.64)	(34.47)	-	-
As at 31 March 2022	**62.78**	**23.78**	**45.75**	**70.24**	**166.18**	**368.74**	**21.06**	**21.06**
Accumulated depreciation / amortisation								
As at 1 April 2020	**16.62**	**7.56**	**25.00**	**18.87**	**63.23**	**131.28**	**13.07**	**13.07**
Charge for the year ended 31 March 2021	5.91	2.90	10.43	15.25	38.18	72.67	3.57	3.57
Sale / deletion for the year ended 31 March 2021	(1.19)	(1.21)	(15.77)	(1.36)	(59.14)	(78.67)	-	-
As at 31 March 2021	**21.34**	**9.25**	**19.66**	**32.76**	**42.27**	**125.28**	**16.64**	**16.64**
Charge for the year ended 31 March 2022	5.81	3.60	9.35	14.78	39.61	73.14	2.07	2.07
Sale / deletion for the year ended 31 March 2022	(1.11)	(0.18)	(3.68)		(24.70)	(29.66)	-	-
As at 31 March 2022	**26.04**	**12.67**	**25.33**	**47.54**	**57.18**	**168.76**	**18.71**	**18.71**
Net carrying value								
As at 31 March 2021	**39.13**	**11.07**	**14.92**	**25.79**	**73.10**	**164.01**	**2.68**	**2.68**
As at 31 March 2022	**36.74**	**11.11**	**20.42**	**22.70**	**109.00**	**199.97**	**2.35**	**2.35**

Note: There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2022 and 31 March 2021.

9 Other non-financial assets

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	60.38	59.08
Advance to creditors	18.79	10.12
Capital advances	2.28	4.24
Balance receivable from Government authorities	7.04	8.97
	88.49	**82.41**

10 Trade payables

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	-	0.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	62.05	47.99
	62.05	**48.47**

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid	-	0.48
Interest due thereon		
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Trade Payables ageing schedule (₹ in million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	1.07	-	-	-	**1.07**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	1.07	**-**	**-**	**-**	**1.07**
Unbilled dues					60.98
Total					**62.05**
As at 31 March 2021					
(i) MSME	0.48	-	-	-	**0.48**
(ii) Others	3.65	-	-	-	**3.65**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	4.13	**-**	**-**	**-**	**4.13**
Unbilled dues					44.34
Total					**48.47**

11 Debt securities

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
<u>At amortised cost</u>		
Debentures (Secured)	1,687.82	2,395.86
	1,687.82	**2,395.86**
Debt securities in India	1,687.82	2,395.86
Debt securities outside India	-	-
	1,687.82	**2,395.86**

Details of redeemable non convertible debentures (₹ in million)

	Redemption date	Rate of interest (p.a.)	Original Maturity	As at 31 March 2022 Secured	As at 31 March 2021 Secured
Series 3	23 December 2021	8.50%	1 to 5 years	-	1,200.00
Series 4	21 January 2022	8.50%	1 to 5 years	-	500.00
Series 1	9 June 2023	9.50%	1 to 5 years	450.00	450.00
Series 2	16 June 2023	9.50%	1 to 5 years	250.00	250.00
Series 5	29 November 2023	7.50%	1 to 5 years	990.00	-
Total debt securities				**1,690.00**	**2,400.00**
Adjustment of unamortised processing fee (EIR)				(2.18)	(4.14)
Total adjusted debt securities				**1,687.82**	**2,395.86**

The Company has issued 1,690 debentures (31 March 2021: 2,400 debentures) at a face value of ₹1.00 million which are listed on wholesale debt segment of BSE; 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.

12 Borrowings (other than debt securities)

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Secured		
At amortised cost		
Term loans		
- from banks	20,223.92	16,746.37
- from National Housing Bank (NHB)	11,942.85	10,966.87
- from other parties	788.26	427.77
Loans repayable on demand - from banks	24.82	0.02
	32,979.85	**28,141.03**
Borrowings in India	32,979.85	28,141.03
Borrowings outside India	-	-
	32,979.85	**28,141.03**

Notes:

(i) All borrowings are secured against the loan assets, investments, cash and cash equivalents and bank balances other than cash and cash equivalents of the Company to the extent of required asset cover as per sanctioned terms.

(ii) The repayment of the borrowing is done in monthly, quarterly, half - yearly and annual instalment as per the sanctioned terms.

(iii) The Company has not made any default in repayment of instalments due over the reporting year.

(iv) Bank guarantees of ₹ 340.00 million and ₹ 10.00 million for term loans from NHB is provided by Axis Bank and Central Bank of India (31 March 2021: ₹ 340.00 million and ₹ 10.00 million) respectively on behalf of Company to NHB. Total outstanding balance as at 31 March 2022 for such loans is ₹4,392.60 million (31 March 2021: ₹5,755.30 million).

Terms of repayment of term loans

(₹ in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2022 Secured	As at 31 March 2021 Secured
2%-3%	1-5 years	2,113.16	-
3%-4%		2,639.10	2,639.10
4%-5%		1,060.82	1,275.04
5%-6%		-	2,425.41
6%-7%		3,929.08	1,681.18
7%-8%		13,300.61	9,398.57
8%-9%		6,790.22	7,079.65
9%-10%		-	488.89
2%-3%	5-7 years	886.83	-
3%-4%		280.82	1,064.60
4%-5%		25.17	150.25
5%-6%		-	719.28
6%-7%		-	52.11
7%-8%		1,702.10	289.11
8%-9%		-	385.09
5%-6%	7-10 years	-	441.60
6%-7%		282.43	-
8%-9%		-	102.00
Total borrowings (excluding loans repayable on demand)		**33,010.34**	**28,191.88**
Adjustment of unamortised processing fee (EIR)		(55.31)	(50.87)
Total adjusted borrowings (excluding loans repayable on demand)		**32,955.03**	**28,141.01**

13 Other financial liabilities

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	62.58	66.62
Interest accrued but not due on debt securities	77.74	160.80
Lease liability (Refer note 37)	118.08	82.20
Amounts payable under assignment of receivables (collections made on behalf of assignee)	210.54	136.40
Payable to NHB against credit linked subsidy scheme (CLSS)	8.43	0.93
Employee benefits payable	64.72	57.91
Other financial liabilities	27.01	29.92
	569.10	**534.78**

14 Provisions

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits - gratuity (Refer note 34.2)	29.71	20.51
Provision for employee benefits - compensated absences (Refer note 34 C)	4.37	2.37
Provision for expected credit loss on undisbursed loan commitment (Refer note 4.1(b))	11.28	9.48
	45.36	**32.36**

15 Other non-financial liabilities

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Deferred income	48.52	52.02
Statutory remittances	21.71	12.02
	70.23	**64.04**

16 Share capital

Details of authorised, issued, subscribed and paid-up share capital

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount (₹in million)	No. of shares	Amount (₹in million)
Authorised share capital				
Equity shares of ₹ 2 each*	125,000,000	250.00	125,000,000	250.00
	125,000,000	**250.00**	**125,000,000**	**250.00**
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each	87,633,703	175.27	87,399,727	174.80
	87,633,703	**175.27**	**87,399,727**	**174.80**

i. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2022 and 31 March 2021 is set out below:

Equity shares	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Shares outstanding at the beginning of the year	87,399,727	174.80	78,297,715	156.60
Add: Shares issued during the year (Refer note vii and viii below)	233,976	0.47	9,102,012	18.20
Shares outstanding at the end of the year	**87,633,703**	**175.27**	**87,399,727**	**174.80**

ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of Holding	No. of shares	% of Holding
Orange clove investments B.V.	25,191,802	28.75%	25,191,802	28.82%
True North Fund V LLP (Formerly known as India Value Fund V LLP)	17,705,532	20.20%	17,705,532	20.26%
Aether (Mauritius) Limited	11,742,592	13.40%	11,742,592	13.44%
Bessemer India Capital Holdings II Limited	6,811,313	7.77%	6,811,313	7.79%

iii. **Terms, rights, preferences and restrictions attached to shares**

Equity shares:

The Company has only one class of equity share having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

iv. **Issue of bonus shares or buyback of shares**
The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buyback of shares during five years immediately preceding 31 March 2022.

v. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company and shares exercised under ESOP, refer note 35.

vi. Shareholding of Promoters in the Company

Equity shares	As at 31 March 2022		As at 31 March 2021		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
True North Fund V LLP (Formerly known as India Value Fund V LLP)	17,705,532	20.20%	17,705,532	20.26%	0.00%
Aether (Mauritius) Limited	11,742,592	13.40%	11,742,592	13.44%	0.00%

vii. The Company has done a private placement /preferential allotment of 2,240,639 equity shares to Orange Clove Investments B.V (Orange Clove) (an affiliate of Warburg Pincus) on 15 October 2020, for a consideration of ₹ 334.726 per share (i.e. having face value of ₹ 2 and premium of ₹ 332.726) aggregating to approximately ₹ 750.00 million. Pursuant to the Share Subscription and Purchase Agreement (SSPA), Orange Clove purchased 18,810,719 equity shares from the existing shareholders in the month of October 2020 and further, on receipt of RBI approval, additionally purchased 4,140,444 equity shares from the existing shareholders in the month of January 2021. As at 31 March 2022, Orange Clove holds 28.75% (31 March 2021: 28.82%) of the paid up equity share capital of the Company.

viii. **Initial public Offer**
The Company has completed its Initial Public Offer (IPO) of 22,272,556 equity shares of face value of ₹ 2 each at an issue price of ₹ 518.00 per 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 shareholder. The equity shares of the Company were listed on BSE limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 03 February 2021.

Out of the fresh issue of ₹ 2,650.00 million, the net proceeds of ₹2,540.38 million (post estimated offer expenses amounting to ₹ 97.18 million) had been utilised towards augmenting the capital

base to meet the capital requirements during the year ended 31 March 2021 and a balance of ₹ 12.44 million remained unutilised, which was maintained in IPO-Public Offer Account (escrow account) as at 31 March 2021.

During the year ended 31 March 2022, the net proceeds of ₹14.42 million (post actual offer expenses amounting to ₹ 95.20 million out of the total IPO proceeds) has been utilised towards augmenting the capital base to meet the capital requirements.

17. Other equity

(₹ in million)

	Notes	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment*	-	-	0.11
Statutory reserve	17.2	916.94	541.94
Securities premium	17.3	11,003.57	10,971.67
Stock option outstanding account	17.4	137.54	96.16
Retained earnings	17.5	3,512.58	2,026.60
Other Comprehensive income	17.6	(9.05)	(5.85)
		15,561.58	**13,630.63**

* Share application money pending allotment as of 31 March 2021 represents amount received in March 2021 on account of exercise of ESOP options.

(₹ in million)

17.1 Particulars	As at 31 March 2022	As at 31 March 2021
Statutory reserve		
Opening balance	541.94	341.54
Add: Current year transfer	375.00	200.40
	916.94	**541.94**
Securities premium		
Opening balance	10,971.67	7,539.75
Add: Premium on issue of share capital*	27.65	3,529.10
Add: Transferred from employee stock option reserve pursuant to stock options exercised	5.36	8.92
Less: Share issue expenses adjusted in accordance with Section 52 of Companies Act, 2013*	(1.11)	(106.10)
	11,003.57	**10,971.67**
Stock options outstanding account		
Opening balance	96.16	74.37
Add: Charge for the year	46.74	31.72
Less: Transferred to securities premium pursuant to stock options exercised	(5.36)	(8.92)
Less: Transferred to retained earnings pursuant to stock options lapsed	-	(1.01)
	137.54	**96.16**
Retained earnings		
Opening balance	2,026.60	1,224.57
Add: Profit for the year	1,860.58	1,001.42
Less: Transfer to statutory reserve	(375.00)	(200.40)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	-	1.01
	3,512.58	**2,026.60**
Other Comprehensive Income		
Remeasurements of defined benefit plans		
Opening balance	(5.85)	(2.57)
Add: Other Comprehensive income for the year	(3.20)	(3.28)
	(9.05)	**(5.85)**
	15,561.58	**13,630.52**

* During the year ended 31 March 2021, addition in securities premium includes the premium received from IPO of ₹ 2,639.77 million reduced by the Company's share of IPO related expenses of ₹ 90.07 million (net of GST of ₹ 7.11 million).

17.2 Statutory reserve

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2022 and 31 March 2021, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

17.3 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, share issue related expenses like underwriting costs etc. in accordance with Section 52 of the Companies Act 2013.

17.4 Stock options outstanding account

The stock option outstanding account is used to recognise grant date fair value of options issued to employees under the Company's stock option schemes.

17.5 Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

17.6 Other Comprehensive Income

Remeasurement of the net defined benefit liabilities comprise actuarial gain/ loss.

18. Interest income (₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised cost		
Interest on term loans	4,770.44	4,061.31
Interest on bank deposits	127.78	124.47
Other interest income*	218.73	115.40
	5,116.95	**4,301.18**

* This includes interest income on unwinding of interest strip receivable and gain on modification of financial asset.

19. Net gain on fair value changes (₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
- On trading portfolio - investment in units of mutual funds	136.72	120.00
	136.72	**120.00**
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes:		
-Realised	136.72	112.67
-Unrealised - MTM gain	-	7.33
Total net gain on fair value changes	**136.72**	**120.00**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

20. Other operating income

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Other charges	11.51	13.91
	11.51	**13.91**

21. Other income

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Other non-operating income	0.31	0.43
	0.31	**0.43**

22. Finance costs

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
On financial liabilities measured at amortised cost		
Interest on borrowings	1,945.25	2,003.07
Interest on debt securities	202.90	162.77
Interest on lease liability (Refer note 37)	8.52	8.15
	2,156.67	**2,173.99**

23. Impairment on financial instruments

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised cost		
Impairment loss allowance on loans	15.36	185.90
Write-offs on loans	225.28	128.78
Impairment loss allowance on other receivables	9.58	6.85
	250.22	**321.53**

24. Employee benefits expense

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	705.46	583.14
Contribution to provident and other funds (refer note 34 B)	27.54	22.10
Gratuity expenses (Refer note 34.4)	5.87	3.64
Compensated absences expenses (Refer note 34 C)	2.00	1.03
Expenses on employee stock options scheme	46.74	31.72
Staff welfare expenses	20.09	19.63
	807.70	**661.26**

25. Other expenses

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	4.45	3.41
Rent (Refer note 37)	8.13	3.57
Repairs and maintenance	2.32	1.66
Telephone and communication expense	2.59	2.88
Office administrative expenses	8.50	7.13
Marketing and sales promotion expense	7.58	7.61
Auditor's remuneration (excluding GST)*		
- Statutory audit fees	1.16	2.58
- Limited review fees	1.21	0.52
- Tax audit fees	0.24	0.20
- Other services (certifications, etc.)	0.93	1.20
Legal and professional charges (Refer note 28.2)	96.81	68.66
Director's fees, allowances and expenses	7.95	5.35
Travelling expense	40.04	27.47
Software license fees	61.25	50.77
Technology fees (Refer note 28.2)	38.73	25.41
Rates and taxes	38.78	34.28
Corporate social responsibility (Refer note 38)	20.49	13.70
Bank charges and others	33.44	31.92
Miscellaneous expenses	29.66	29.84
	404.26	**318.16**

*Audit fees for the current year includes reversal of provision of earlier years amounting to ₹1.19 million. During the year ended 31 March 2021, the Company had paid an amount of ₹ 4.08 million to the auditors in relation to IPO assignment.

26. Tax expense

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax expense		
Tax expense for the year	443.07	292.28
Adjustments in respect of current income tax of previous year	3.76	(2.80)
	446.83	**289.48**
Deferred taxes (net)		
Change in deferred tax assets	(43.52)	(50.17)
Change in deferred tax liabilities	118.79	99.70
Net deferred tax expense	**75.27**	**49.53**
Tax pertaining to earlier years		
Reversal of Deferred tax liability relating to past years (Refer Note 26.3)	(136.39)	-
Others	16.26	-
	(120.13)	**-**
Total income tax expense	**401.97**	**339.01**

26.1 Tax reconciliation

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 2021 is as follows:

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before income tax expense	**2,262.95**	**1,340.43**
Income tax rate (Refer para 1.6 - Taxes on income in accounting policy)	25.17%	25.17%
Tax at statutory income tax rate	569.54	337.36
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Items disallowed (net)	88.24	11.91
Provision for special reserve [Sec 36 (1) (viii) and Sec 36 (1) (viia) of Income tax Act, 1961] (Refer Note 26.3)	(125.78)	(30.92)
Reversal of Deferred tax liability relating to past years (Refer Note 26.3)	(136.39)	-
Others	16.26	-
Employee stock option plan (ESOP) expense	-	(7.98)
Impact on account of financial assets and other items	(14.73)	30.34
Tax on other comprehensive income	1.07	1.10
Adjustments in respect of current income tax of previous year	3.76	(2.80)
Income tax expense	**401.97**	**339.01**

26.2 Deferred tax movement related to the following:

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2021
Deferred tax asset on account of:				
Provision for employee benefits	8.58	(1.75)	(1.07)	5.76
Expected credit loss	124.97	(6.27)	-	118.70
Unamortised processing fee	150.45	(27.62)	-	122.83
Lease liability	30.46	(9.23)	-	21.23
Employee stock option plan (ESOP)	6.59	1.35	-	7.94
	321.05	**(43.52)**	**(1.07)**	**276.46**
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	16.71	6.09	-	10.62
Special reserve u/s Sec 36 (1) (viii) (Refer Note 26.3)	-	(136.39)	-	136.39
Unamortised borrowing cost	15.46	(1.79)	-	17.25
Interest income on non performing assets	11.98	4.90	-	7.08
Fair valuation of investment in mutual funds	-	(1.83)	-	1.83
Deduction claimed for provision for bad debts u/s 36(1)(viia)	23.32	15.02	-	8.30
Gain on direct assignment of loans	270.97	96.40	-	174.57
	338.44	**(17.60)**	**-**	**356.04**
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	**(17.39)**	**(61.12)**	**(1.07)**	**(79.58)**

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2021	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2020
Deferred tax asset on account of:				
Provision for employee benefits	5.76	(1.02)	(1.10)	3.64
Expected credit loss	118.70	(48.51)	-	70.19
Unamortised processing fee	122.83	(10.00)	-	112.83
Lease liability	21.23	6.86	-	28.09
Employee stock option plan (ESOP)	7.94	2.50	-	10.44
	276.46	**(50.17)**	**(1.10)**	**225.19**
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	10.62	(11.91)	-	22.53
Special reserve u/s Sec 36 (1) (viii)	136.39	50.43	-	85.96
Unamortised borrowing cost	17.25	3.51	-	13.74
Interest income on non performing assets	7.08	(0.41)	-	7.49
Fair valuation of investment in mutual funds	1.83	1.68	-	0.15
Deduction claimed for provision for bad debts u/s 36(1)(viia)	8.30	1.14	-	7.16
Gain on direct assignment of loans	174.57	55.26	-	119.31
	356.04	**99.70**	**-**	**256.34**
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	**(79.58)**	**49.53**	**(1.10)**	**(31.15)**

26.3 The amount represents reversal of deferred tax liability created on special reserve u/s 36(1)(viii) of Income-tax Act, 1961 relating to past years. Ind AS does not require the creation of deferred tax liability on the amount transferred to Special Reserve. Accordingly, DTL created on special reserves as at 31 March 2021 is reversed.

27 Earnings per share (EPS)

	As at 31 March 2022	As at 31 March 2021
Net profit after tax attributable to equity holders (₹ in million)	1,860.98	1,001.42
Weighted average number of equity shares for calculating basic EPS (Face value ₹ 2)	87,524,788	80,981,744
Effect of Dilutive Potential Equity shares - Employee Stock Options	1,724,070	1,257,705
Weighted average number of equity shares for calculating diluted EPS (Face value ₹ 2)	89,248,858	82,239,449
Earnings per share		
Basic earning per share (₹)	21.26	12.37
Diluted earning per share (₹)	20.85	12.18
Face value per share (₹)	2.00	2.00

28 Related party disclosures

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

28.1 List of related parties

Nature of relationship	Name of related party
Entity having significant influence	True North Fund V LLP
Entity having significant influence	True North Managers LLP
Entity having significant influence	True North Enterprise Private Limited
Entity having significant influence	Aether (Mauritius) Limited
Entity having significant influence	Orange Clove Investments B.V. (w.e.f. 15 October 2020)
Key Management Personnel (KMP)	Mr. Manoj Viswanathan - Managing Director and Chief Executive Officer
Key Management Personnel (KMP)	Mr. Sakti Prasad Ghosh - Independent Director (up to 31 October 2021)
Key Management Personnel (KMP)	Ms. Sujatha Venkatramanan - Independent Director (up to 31 October 2021)
Key Management Personnel (KMP)	Mr. Deepak Satwalekar - Independent Director
Key Management Personnel (KMP)	Mr. Rajagopalan Santhanam - Nominee Director (up to 31 January 2022)
Key Management Personnel (KMP)	Mr. Divya Sehgal - Nominee Director
Key Management Personnel (KMP)	Mr. Maninder Singh Juneja - Nominee Director
Key Management Personnel (KMP)	Mr. Vishal Vijay Gupta - Nominee Director
Key Management Personnel (KMP)	Mr. Narendra Ostawal - Nominee Director (w.e.f. 15 October 2020)
Key Management Personnel (KMP)	Mr. Anuj Srivastava - Independent Director (w.e.f. 01 November 2021)
Key Management Personnel (KMP)	Ms. Geeta Dutta Goel - Independent Director (w.e.f. 01 November 2021)
Key Management Personnel (KMP)	Ms. Sucharita Mukherjee - Independent Director (w.e.f. 01 February 2022)
Entity under common control	Actify Data Labs Private Limited (up to 22 December 2021)

28.2 **Transactions during the year with related parties :** (₹ in million)

Transactions with	Nature of transactions	Year Ended 31 March 2022	Year Ended 31 March 2021
Mr. Manoj Viswanathan	Remuneration	18.84	14.59
Mr. Manoj Viswanathan	Exercise of ESOP	-	42.64
True North Managers LLP	Reimbursement of expenses	-	5.38
True North Enterprise Private Limited	Deputing Charges	6.31	5.09
Mr. Sakti Prasad Ghosh	Sitting fees paid	1.10	1.80
Ms. Sujatha Venkatramanan	Sitting fees paid	1.00	1.60
Mr. Deepak Satwalekar	Sitting fees paid	0.60	1.00
Mr. Anuj Srivastava	Sitting fees paid	0.60	-
Ms. Sucharita Mukherjee	Sitting fees paid	0.40	-
Mr. Deepak Satwalekar	Directors' commission	2.20	-
Mr. Anuj Srivastava	Directors' commission	0.60	-
Ms. Sucharita Mukherjee	Directors' commission	0.45	-
Mr. Sakti Prasad Ghosh	Directors' commission	0.50	0.25
Ms. Sujatha Venkatramanan	Directors' commission	0.50	0.70
Mr. Manoj Viswanathan	Equity infusion -	-	10.04
True North Fund V LLP	Reimbursement of expenses received	21.13	69.50
Aether (Mauritius) Limited	Reimbursement of expenses received	14.13	46.33
Mr. Manoj Viswanathan	Reimbursement of expenses received	0.57	5.01
Orange Clove Investments B.V.	Reimbursement of expenses received	-	0.37
Actify Data Labs Private Limited	Technology fees	1.70	5.21

Notes:

1. The transactions disclosed above are excluding GST.
2. The KMPs are covered under the Company's gratuity policy, compensated absences provision and ESOP scheme along with other eligible employees of the Company. Proportionate amount of gratuity expenses, provision for compensated absences and ESOP expenses are not included in the aforementioned disclosures as it cannot be separately ascertained.

28.3 **Amount due to related parties:** (₹ in million)

Particulars	Nature	As at 31 March 2022	As at 31 March 2021
Ms. Sujatha Venkatramanan	Payable	0.50	1.20
Mr. Deepak Satwalekar	Payable	2.20	1.00
Mr. Sakti Prasad Ghosh	Payable	0.50	1.10
Mr. Anuj Srivastava	Payable	1.14	-
Ms. Sucharita Mukherjee	Payable	0.54	-
Actify Data Labs Pvt Ltd.	Payable	-	0.19
True North Enterprise Private Limited	Payable	0.72	4.34

29 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The same is done through a mix of either equity and / or combination of short term / long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations and capital expenditure. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). Refer Note 49 for Capital to risk-weighted assets ratio (CRAR).

The Company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	As at 31 March 2022	As at 31 March 2021
Net total debt including interest accrued and not due thereon (net of cash and cash equivalents) (₹ in million)	28,630.39	28,670.14
Total equity (₹ in million)	15,736.85	13,805.43
Net debt to equity ratio	1.82	2.08

Loan covenants

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the reporting year.

Loan covenants mainly include minimum CRAR of 12%, the ratio of total outstanding liability to total net worth to be less than or equal to 12 times etc.

30 Fair value measurement

30.1 Financial instruments by category

(₹ in million)

Particulars	Category	As at 31 March 2022	As at 31 March 2021
Financial assets:			
Cash and cash equivalents	Amortised Cost	6,177.60	2,094.17
Bank balance other than cash and cash equivalents	Amortised Cost	500.89	4,704.51
Loans	Amortised Cost	43,515.16	33,717.98
Less : Impairment loss allowance		(466.50)	(452.98)
Investments	FVTPL	-	3,750.15
Other financial assets	Amortised Cost	1,150.00	1,011.65
Total financial assets		**50,877.15**	**44,825.48**
Financial liabilities:			
Trade payables	Amortised Cost	62.05	48.47
Debt securities	Amortised Cost	1,687.82	2,395.86
Borrowings (other than debt securities)	Amortised Cost	32,979.85	28,141.03
Other financial liabilities*	Amortised Cost	451.02	452.58
Total financial liabilities		**35,180.74**	**31,037.94**

* Other financial liabilities exclude liability pertaining to lease liability covered under Indian accounting standard - 116 (31 March 2022: ₹ 118.08 million; 31 March 2021: ₹ 82.20 million).

30.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

30.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date (₹ in million)

Particulars	Level 2	
	As at 31 March 2022	As at 31 March 2021
Financial assets measured at FVTPL		
Investments	-	3,750.15

30.4 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of loans given, interest strip receivable, bank deposits and borrowings represents its fair value. Further, the carrying value of cash and cash equivalents, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

The above mentioned financial assets and liabilities are classified under level 2 of the fair valuation hierarchy.

30.5 Valuation techniques

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings (including debt securities) - The fair value of debt securities is determined by discounting expected future contractual cash flows using current market interest rates

charged for similar new loans and the carrying value approximates the fair value. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

31 Financial risk management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimise potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities (Refer Note 64):

As at 31 March 2022 (₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	62.05	-	-	-	**62.05**
Debt securities (Refer note (i) below)	988.72	699.10	-	-	**1,687.82**
Borrowings (other than debt securities) (Refer note (i) below)	7,878.29	21,926.93	3,174.63	-	**32,979.85**
Other financial liabilities (Refer note (ii) below)	451.02	-	-	-	**451.02**
Total	**9,380.08**	**22,626.03**	**3,174.63**	-	**35,180.74**

As at 31 March 2021 (₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	48.47	-	-	-	**48.47**
Debt securities (Refer note (i) below)	1,698.92	696.94	-	-	**2,395.86**
Borrowings (other than debt securities) (Refer note (i) below)	6,491.30	18,447.41	3,202.32	-	**28,141.03**
Other financial liabilities (Refer note (ii) below)	452.58	-	-	-	**452.58**
Total	**8,691.28**	**19,144.35**	**3,202.32**	-	**31,037.94**

Notes: (i) Debt securities and borrowings (other than debt securities) do not carry adjustment of unamortised processing fee (EIR). (ii) Other financial liabilities exclude liability pertaining to lease liability covered under Indian accounting standard - 116 (31 March 2022: ₹118.08 million; 31 March 2021: ₹82.20 million). (iii) Amounts repayable on demand are included in 'within 1 year'.

B Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

There were no foreign currency exposure as at 31 March 2022 and 31 March 2021.

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowings might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seeks to optimise borrowing profile between short-term and long-term loans. The liabilities are categorised into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Exposure to loans and borrowings

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans (variable)	43,515.16	33,717.98
Borrowings and debt securities		
Borrowings (variable)	25,747.71	22,328.42
Borrowings and debt securities (fixed rate)	8,919.96	8,208.47
Total borrowings and debt securities	**34,667.67**	**30,536.89**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in million)

Interest rate	Impact on profit before tax	
	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
Increase by 50 basis points	217.58	168.59
Decrease by 50 basis points	(217.58)	(168.59)
Borrowings and debt securities		
Increase by 50 basis points	(128.74)	(111.64)
Decrease by 50 basis points	128.74	111.64

(iii) Price risk

The Company is exposed to price risk from its investment in mutual funds measured at fair value through statement of profit and loss

(₹ in million)

Sensitivity	Impact on profit before tax	
	Year ended 31 March 2022	Year ended 31 March 2021
Increase by 50 basis points	-	18.75
Decrease by 50 basis points	-	(18.75)

32 Credit risk management

Credit quality of assets

Credit risk is the risk that the Company will incur a loss because the counterparty might fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due.

The Company manage credit risks by using a set of credit procedures and guidelines, laid down in our credit risk policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically to ensure compliance with the guidelines of the RBI as well as other regulatory bodies.

We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a customer relationship manager and customer service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices.

Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become equal to or more than 90 days past due on its contractual payments. These assets continue to be classifed as Stage 3 till the entire overdues are received, in accordance with RBI guidelines and the Board approved ECL Policy. Refer Note 42 and 43.

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount. (Refer note 4 - Loans for detailed disclosure on gross carrying value and ECL amount on loans).

(₹ in million)

Loans	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
Home loan	37,070.60	589.24	936.23	**38,596.07**
Loan against property	4,061.57	60.92	68.72	**4,191.21**
Commercial loan	478.79	10.28	10.27	**499.34**
Construction finance	178.93	49.60	0.01	**228.54**
Total	**41,789.89**	**710.04**	**1,015.23**	**43,515.16**

(₹ in million)

Loans	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
Home loan	29,289.80	700.46	587.34	**30,577.60**
Loan against property	2,204.42	63.20	19.62	**2,287.24**
Commercial loan	362.24	9.68	3.19	**375.11**
Construction finance	466.52	0.00	11.51	**478.03**
Total	**32,322.98**	**773.34**	**621.66**	33,717.98

(₹ in million)

Loan commitments	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
Home loan	6,674.26	15.98	33.48	**6,723.72**
Loan against property	559.94	0.31	0.10	**560.35**
Commercial loan	51.17	0.80	-	**51.97**
Construction finance	55.88	59.76	-	**115.64**
Total	**7,341.25**	**76.85**	**33.58**	7,451.68

(₹ in million)

Loan commitments	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
Home loan	5,391.01	21.21	23.44	**5,435.66**
Loan against property	213.11	0.41	-	**213.52**
Commercial loan	31.79	-	0.12	**31.91**
Construction finance	149.24	-	9.63	**158.87**
Total	**5,785.15**	**21.62**	**33.19**	5,839.96

Customer type

(₹ in million)

	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
Salaried	29,938.56	449.73	683.62	**31,071.91**
Self employed	11,851.33	260.31	331.61	**12,443.25**
	41,789.89	**710.04**	**1,015.23**	43,515.16

(₹ in million)

	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total
Salaried	23,807.54	506.42	393.45	**24,707.41**
Self employed	8,515.44	266.92	228.21	**9,010.57**
	32,322.98	**773.34**	**621.66**	33,717.98

33 Transfers of assets

Assignment deal:

The Company has sold some loans measured at amortised cost as per assignment deals during the year. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model

remains to hold the assets for collecting contractual cash flows. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in million)

Loans measured at amortised cost	Year ended 31 March 2022	Year ended 31 March 2021
Carrying amount of derecognised financial assets as at year ended	10,251.58	7,655.86
Carrying amount of derecognised financial assets during the year	4,645.62	3,003.03
Gain from derecognition	678.34	439.35

33.1 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 2022
Number of loans	7,837
Aggregate amount (₹ In million)	5,161.80
Sale consideration (₹ In million)	4,645.62
Number of transactions	7
Weighted average remaining maturity (in months)	208.71
Weighted average holding period after origination (in months)	19.08
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	NA
Number of transferred loans replaced	NA

b. The Company has not acquired any loan not in default during the year ended 31 March 2022.

c. The Company has not transferred or acquired any stressed loan during the year ended 31 March 2022.

34 Employee benefits

(A) Defined benefit obligation

The Company has an unfunded defined benefit plan i.e., Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days of salary for each year of service.

Contribution to gratuity fund (unfunded scheme)

In accordance with Indian Accounting Standard 19 'Employee benefits', actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

34.1 Actuarial assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (% p.a.)	6.09%	5.58%
Rate of salary increase (% p.a.)	8.00%	5.00%
Rate of employee turnover (% p.a.)	20.00%	20.00%

Interest rate risk: The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity risk: Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risk.

Salary risk: The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

34.2 Changes in the present value of defined benefit obligation (₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the beginning of the year	20.51	13.13
Interest expense	1.14	0.68
Current service cost	4.73	2.96
Benefit paid directly by the employer	(0.94)	(0.64)
Actuarial loss on obligations - due to change in demographic assumptions	-	5.67
Actuarial loss/ (gains) on obligations - due to change in financial assumptions	2.56	(5.30)
Actuarial losses on obligations - due to experience adjustments	1.71	4.01
Present value of obligation at the end of the year	**29.71**	**20.51**

34.3 Assets and liabilities recognised in the balance sheet (₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of the defined benefit obligation at the end of the year	(29.71)	(20.51)
Net liability recognised in the balance sheet	**(29.71)**	**(20.51)**

34.4 Expenses recognised in the statement of profit and loss (₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	4.73	2.96
Net interest expense	1.14	0.68
Expenses recognised in the statement of profit and loss for the year	**5.87**	**3.64**

34.5 Expenses recognised in the statement of other comprehensive income (OCI) (₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial loss on post employment defined benefit obligation	4.27	4.38
Expenses recognised in the statement of OCI	**4.27**	**4.38**

34.6 Reconciliation of net liability recognised: (₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening net liability	20.51	13.13
Expenses recognised at the end of year in profit and loss	5.87	3.64
Amount recognised in other comprehensive income	4.27	4.38
Benefit paid directly by the employer	(0.94)	(0.64)
Net liability recognised in the balance sheet	**29.71**	**20.51**

34.7 Sensitivity analysis: (₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Delta effect of +1% change in rate of discounting	(1.26)	(0.85)
Delta effect of -1% change in rate of discounting	1.39	0.93
Delta effect of +1% change in rate of salary increase	1.18	0.84
Delta effect of -1% change in rate of salary increase	(1.10)	(0.80)
Delta effect of +1% change in rate of employee turnover	(0.30)	(0.18)
Delta effect of -1% change in rate of employee turnover	0.32	0.18

34.8 Maturity analysis of projected benefit obligation (₹ in million)

Year	As at 31 March 2022	As at 31 March 2021
1	3.76	2.55
2	4.20	2.58
3	4.44	2.96
4	3.95	3.09
5	3.64	2.67
Sum of years 6 to 10	11.80	8.19
Sum of years 11 and above	9.18	5.10

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same, once the rules are notified and become effective.

B. Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits.

The Company recognised ₹ 26.93 million (31 March 2021: ₹ 22.07 million) for provident fund contributions in the statement of profit and loss.

The Company has recognised ₹ 0.58 million (31 March 2021: Nil) for NPS contributions in the statment of profit and loss.

C. Compensated absence expenses

The Company has accounted for provision for compensated absences from 1 April 2019. An employee is eligible to carry forward 30 to 90 days of leaves basis their work location to the next period from the balance leaves pending utilisation; however these leaves are non-encashable. Provision for compensated absence for current year is ₹ 2.00 million (31 March 2021: ₹ 1.03 million).

35 Employee stock options

35.1 The Company has an Employee Share based payment scheme, under which grants were made as per details provided below:

The Board has granted 2,908,180 options, under the Employee Stock Option Scheme (ESOP) 2012 (ESOP I) and the Board Resolutions dated 14 March 2012, 25 March 2013, 19 March 2014, 30 March 2015 and 4 January 2016, which is in accordance with the provisions of the law and/or guidelines issued by the relevant authority applicable at the date of the grant. (Refer note 35.5(ii))

The Company has further issued 4,125,290 options under a new Policy termed as ESOP scheme II vide board resolution dated 28 February 2018 and 13 May 2019 which is in accordance with the provisions of the law and/or guidelines issued by relevant authority applicable at the date of the grant. (Refer note 35.5(ii))

During the year ended 31 March 2022, the Company has approved 1,969,283 options under the Homefirst ESOP Scheme 2021 (ESOP 2021) via board resolution dated 25 October 2021 and shareholders' special resolution dated 26 November 2021. The Board has granted 925,000 options via resolution dated 15 December 2021 under ESOP 2021, which is in accordance with the provisions of the law and/or guidelines issued by relevant authority applicable at the date of the grant.

Particulars	ESOP I Scheme 2012				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved (post subdivision) (Refer note 35.5(ii))	2,908,180 options				
No. of options granted (post subdivision) (Refer note 35.5(ii))	575,000	625,000	850,000	515,680	342,500
Date of grant	14 March 2012	25 March 2013	19 March 2014	30 March 2015	4 January 2016
Exercise price per option (post subdivision) (Refer note 35.5(ii))	₹ 47.83	₹ 47.83	₹ 56.23	₹ 56.23	₹ 56.23

Particulars	ESOP Scheme II				
	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*	Tranche 5*
No. of options approved (post subdivision) (Refer note 35.5(ii))	4,125,290 options*				
No. of options granted (post subdivision) (Refer note 35.5(ii))	2,422,220	291,795	1,658,500	40,750	154,500
Date of grant	1 April 2017	1 April 2018	1 April 2019	1 October 2019	1 October 2020
Exercise price per option (post subdivision) (Refer note 35.5(ii))	₹ 117.24	₹ 117.24	₹ 139.30	₹ 223.20	₹ 334.73

*Notes:

a. 287,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (247,225 options) and Tranche 4 (40,750 options) (post subdivision) (Refer note 35.5(ii)) during the year ended 31 March 2020.

b. 131,150 and 23,350 options lapsed in Tranche 1 and Tranche 3 of ESOP scheme II respectively, was reissued in Tranche 5 (154,500) (post subdivision) (Refer note 35.5(ii)) during the year ended 31 March 2021.

Particulars	ESOP 2021
	Tranche 1
No. of options approved	1,969,283 options
No. of options granted	925,000
Date of grant	15 December 2021
Exercise price per option	₹851.10

35.2 Vesting condition :

ESOP I: Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. Options vest in four instalments - 15% each in first two instalments, 30% in third instalment and balance 40% in the last instalment. All the management options are time based and also exit linked, i.e. they shall vest in four instalments as described above or on exit of promoters/ investors, whichever is earlier.

ESOP I Scheme 2012

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Vesting start period	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
1st Year (post subdivision) (Refer note 35.5(ii))	86,250	93,750	127,500	77,350	51,375
2nd Year (post subdivision) (Refer note 35.5(ii))	86,250	93,750	127,500	77,350	51,375
3rd Year (post subdivision) (Refer note 35.5(ii))	172,500	187,500	255,000	154,705	102,750
4th Year (post subdivision) (Refer note 35.5(ii))	230,000	250,000	340,000	206,275	137,000

ESOP II :

Management option: Vesting will be in two parts for Tranche 1, Tranche 2, Tranche 3 - 66% will be performance plus time based which will vest in 6 equal instalments; and 34% will be vested as follows:

Particulars	Vesting on					
	15 October 2020	01 April 2021	01 April 2022	01 April 2023	01 April 2024	01 April 2025
Tranche 1	9.39%	8.20%	8.20%	8.21%	NA	NA
Tranche 2	9.39%	6.15%	6.15%	6.15%	6.16%	NA
Tranche 3	9.39%	4.92%	4.92%	4.92%	4.92%	4.93%
Tranche 5	Vesting will be in 6 equal instalments starting from 1 October 2021.					

Note: The Board at their meeting held on 15 October 2020 amended the ESOP II (the Scheme) leading to change in the vesting period of management exit linked options - wherein these options would now be vested as per the schedule stated above.

Non Management option: Vesting will be in 6 equal instalments starting from 1 April 2018. If the grant is after 1 April 2018, then the vesting will start from 1 April 2019 and so on.

ESOP Scheme II

Particulars	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*	Tranche 5**
Vesting start period	1 April 2018	1 April 2019	1 April 2020	1 October 2020	1 October 2021
Management					
1st Year (post subdivision) (refer note 35.5(ii))	209,000	27,500	96,853	-	17,680
2nd Year (post subdivision) (refer note 35.5(ii))	209,000	50,975	75,620	-	17,680
3rd Year (post subdivision) (refer note 35.5(ii))	387,410	42,875	75,620	-	17,680
4th Year (post subdivision) (refer note 35.5(ii))	364,800	42,875	75,620	-	17,680
5th Year (post subdivision) (refer note 35.5(ii))	364,800	42,875	75,620	-	17,680
6th Year (post subdivision) (refer note 35.5(ii))	364,990	42,900	75,668	-	15,600

Particulars	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*	Tranche 5**
Vesting start period	1 April 2018	1 April 2019	1 April 2020	1 October 2020	1 October 2021
Non Management					
1st Year (post subdivision) (refer note 35.5(ii))	88,777	7,105	201,195	6,928	8,585
2nd Year (post subdivision) (refer note 35.5(ii))	88,777	7,105	201,195	6,928	8,585
3rd Year (post subdivision) (refer note 35.5(ii))	88,777	7,105	201,195	6,928	8,585
4th Year (post subdivision) (refer note 35.5(ii))	88,777	7,105	201,195	6,928	8,585
5th Year (post subdivision) (refer note 35.5(ii))	88,777	7,105	201,195	6,928	8,585
6th Year (post subdivision) (refer note 35.5(ii))	78,333	6,269	177,525	6,113	7,575

*287,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (247,225 options) and Tranche 4 (40,750 options) (post subdivision) (refer note 35.5(ii)) during the year ended 31 March 2020.

**131,150 and 23,350 options lapsed in Tranche 1 and Tranche 3 of ESOP scheme II respectively, was reissued in Tranche 5 (154,500) (post subdivision) (refer note 35.5(ii)) during the year ended 31 March 2021.

ESOP 2021

The options shall vest between 3 to 4 years from the date of grant, in equal proportions, upon achievement of the performance conditions.

Particulars	Tranche 1	
Vesting start period	1 April 2023	
Vesting period	3 Years	4 Years
Management		
1st Year	75,900	36,250
2nd Year	75,900	36,250
3rd Year	78,200	36,250
4th Year	-	36,250
Non Management		
1st Year	181,500	-
2nd Year	181,500	-
3rd Year	187,000	-

35.3 Contractual life

ESOP I: The contractual life (vesting period plus exercise period) ranges from 11 to 14 years i.e. vesting period ranging from 1 to 4 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP Scheme II: The contractual life (vesting period plus exercise period) ranges from 11 to 16 years i.e. vesting period ranging from 1 to 6 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP 2021: The contractual life (vesting period plus exercise period) ranges from 4.3 to 8.3 years i.e. vesting period ranging from 1.3 to 4.3 years and exercise period of 3 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

Method of settlement: ESOP I and ESOP scheme II and ESOP 2021 is to be settled through issue of equity shares.

35.4 Computation of fair value of options granted

Particulars	ESOP I (Scheme 2012)				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) (Refer note 35.5(ii)) (Amount in ₹)	47.83	47.83	49.00	56.00	56.00
Exercise price (post subdivision) (Refer note 35.5(ii)) (Amount in ₹)	47.83	47.83	56.23	56.23	56.23
Volatility	37.05%	35.51%	34.95%	34.17%	33.51%
Risk free rate	1st year- 8.06% 2nd year- 7.93% 3rd year- 8.01% 4th year- 8.10%	1st year- 7.73% 2nd year- 7.66% 3rd year- 7.74% 4th year- 7.84%	1st year- 8.66% 2nd year- 8.58% 3rd year- 8.72% 4th year- 8.88%	1st year- 7.88% 2nd year- 7.84% 3rd year- 7.79% 4th year- 7.75%	1st year- 7.05% 2nd year- 7.22% 3rd year- 7.32% 4th year- 7.43%
Dividend yield	-	-	-	-	-
Fair value of options (post subdivision) (refer note 35.5(ii)) (Amount in ₹)*	1st year- 8.80 2nd year- 13.00 3rd year- 16.60 4th year- 19.60	1st year- 8.40 2nd year- 12.60 3rd year- 16.00 4th year- 19.00	1st year- 5.80 2nd year- 10.20 3rd year- 14.00 4th year- 17.40	1st year- 9.60 2nd year- 14.40 3rd year- 18.20 4th year- 21.60	1st year- 9.20 2nd year- 13.80 3rd year- 17.80 4th year- 21.00

Particulars	ESOP Scheme II				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) (refer note 35.5(ii)) (Amount in ₹)	117.24	117.24	139.30	222.32	334.73
Exercise price (post subdivision) (refer note 35.5(ii)) (Amount in ₹)	117.24	117.24	139.30	223.20	334.73
Volatility	30.00%	30.00%	31.29%	20.88% to 24.47%	25.61% to 37.90%
Risk free rate	1st year- 6.63% 2nd year- 6.66% 3rd year- 6.79% 4th year- 6.93% 5th year- 7.05% 6th year- 6.92% 7th year- 7.08%	1st year- 6.79% 2nd year- 7.33% 3rd year- 7.57% 4th year- 7.74% 5th year- 7.78% 6th year- 7.89% -	1st year- 6.43% 2nd year- 6.52% 3rd year- 6.66% 4th year- 6.85% 5th year- 6.93% 6th year- 7.17% -	1st year- 5.49% 2nd year- 5.71% 3rd year- 5.92% 4th year- 6.10% 5th year- 6.27% 6th year- 6.42% -	1st year- 3.82% 2nd year- 4.39% 3rd year- 4.86% 4th year- 5.24% 5th year- 5.55% 6th year- 5.80% -
Dividend yield	-	-	-	-	-

Particulars	ESOP Scheme II				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Fair value of options (post subdivision) (refer note 35.5(ii)) (Amount in ₹)*	1st year- 17.60 2nd year- 26.60 3rd year- 34.20 4th year- 41.00 5th year- 47.00 6th year- 52.00 7th year- 57.00	1st year- 17.80 2nd year- 27.40 3rd year- 35.40 4th year- 42.60 5th year- 48.80 6th year- 54.40 -	1st year- 21.40 2nd year- 32.40 3rd year- 41.40 4th year- 49.60 5th year- 56.60 6th year- 63.60 -	1st year- 27.00 2nd year- 38.80 3rd year- 50.40 4th year- 61.80 5th year- 74.40 6th year- 84.40 -	1st year- 55.88 2nd year- 72.09 3rd year- 85.42 4th year- 99.63 5th year- 114.22 6th year- 131.13 -

Particulars	ESOP 2021
	Tranche 1
Share price (Amount in ₹)	851.10
Exercise price (Amount in ₹)	851.10
Volatility	26.20% to 28.09%
Risk free rate	1st year- 5.00% 2nd year- 5.39% 3rd year- 5.71% 4th year- 5.98%
Dividend yield	-
Fair value of option (Amount in ₹)*	1st year- 209.46 2nd year- 253.73 3rd year- 289.84 4th year- 329.76

*The fair value of option has been determined based on Black - Scholes - Merton formula.

35.5 Reconciliation of outstanding share options:

Particulars (No. of options)	As at 31 March 2022			As at 31 March 2021	
	ESOP I	ESOP II	ESOP 2021	ESOP I	ESOP II
Outstanding at beginning of year (Refer note ii below)	525,000	3,607,590	-	1,855,505	3,886,636
Vested at beginning of year (Refer note ii below)	525,000	1,095,626	-	1,855,505	542,236
Granted during the year (Refer note ii below)	-	-	925,000	-	154,500
Vested during the year (Refer note ii below)	-	691,417	-	-	894,798
Lapsed (Refer note ii below)	-	90,612	15,800	7,500	131,008
- Forfeited (vested - lapsed)	-	26	-	7,500	38,869
- Lapsed (unvested - lapsed)	-	90,586	15,800	-	92,139
Exercised (Refer note ii below)	56,000	175,976	-	1,323,005	302,538
Outstanding at end of the year (Refer note ii below)	**469,000**	**3,341,002**	**909,200**	**525,000**	**3,607,590**
Vested and exercisable at end of the year (Refer note ii below)	469,000	1,611,041	-	525,000	1,095,626
Weighted average exercise price per option of options outstanding (Amount in ₹) (Refer note ii below)	56.09	135.37	851.10	55.43	135.87
Weighted average remaining contractual life of options	4.97 years	9.64 years	5.18 years	5.89 years	10.63 years

Notes: (i) Amortisation of option cost for the year ended 31 March 2022 is ₹ 46.74 million (31 March 2021: ₹ 31.72 million).

(ii) The shareholders, vide a special resolution, have approved sub-division of equity shares of the Company in the ratio of five equity shares of ₹ 2 each against one equity share of ₹10 each respectively resulting to change in share price & exercise price proportionately.

36 Segment information

36.1 Operating segment

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'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2022 and 31 March 2021.

The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

37 Lease disclosure

Where the Company is the lessee:

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 1 year and 9 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹in million)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2022	As at 31 March 2021
Not later than one year	44.71	36.52
Later than one year and not later than five years	87.27	53.16
Later than five years	2.60	4.93
Total undiscounted lease liabilities	**134.58**	**94.61**
Lease liabilities included in the balance sheet		
Total lease liabilities	118.08	82.20

(₹in million)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	8.52	8.15
Depreciation charge for the year	39.61	38.18
Expenses relating to short term leases	8.13	3.57

(₹in million)

Amount recognised in statement of cashflow	Year ended 31 March 2022	Year ended 31 March 2021
Cash outflow towards lease liability	46.11	44.57

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

38 Corporate social responsibility expenses

(₹in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Total amount required to be spent during the year	20.49	13.70
(b) Total amount of expenditure incurred during the year	20.49	13.70
(c) Shortfall at the end of the year	-	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA

The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

a. Promoting education, including special education and employment enhancing vocational skills, especially among children, women, and elderly;

b. Promotion of health care, including preventive health care and sanitation;

c. Measures for the benefit of armed forces veterans, war widows, and their dependents;

d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.

Notes:

1. No amount has been spent by the Company for the construction/ acquisition of any new asset during the year ended 31 March 2022 and 31 March 2021.
2. There have been no related party transactions during the year ended 31 March 2022 and 31 March 2021 in respect of CSR activities.

39 Contingent liabilities and commitments

There are no Contingent Liabilities as on 31 March 2022 (31 March 2021: Nil).

(₹in million)

	As at 31 March 2022	As at 31 March 2021
Commitments - Undisbursed amount of housing and other loans	7,451.68	5,839.96

40 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended 31 March 2022. Currently, the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions. The Company has taken a write off (including unrecoverable partial loan balances) amounting to ₹ 225.28 million during the year ended 31 March 2022 on which corresponding opening provisions reversed amounted to ₹140.52 million. The Company has made a provision of ₹155.84 million during the year ended 31 March 2022 which includes additional provision for the accounts restructured under RBI Resolution framework. As at 31 March 2022, the Company holds an aggregate provision of ₹477.78 million against advances.

41 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.

42 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.

(₹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	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	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	308.03	100.45	1.00	21.10	185.48
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**308.03**	**100.45**	**1.00**	**21.10**	**185.48**

43 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 changed its NPA definition to comply with the norms/ changes for regulatory reporting, as applicable. This has resulted in classification of loans amounting to ₹ 444.05 million as additional non-performing assets (Stage 3) as at 31 March 2022. However, the said change does not have a material impact on the financial results for the quarter / year ended 31 March 2022. On 15 February 2022, the RBI allowed deferment pertaining to the upgradation of Non Performing accounts till

30 September 2022. However, the Company has not opted for such deferment and continues to align Stage 3 definition to revised NPA definition.

44 The Company does not hold any immovable property as on 31 March 2022 and 31 March 2021. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

45 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

46 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

47 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

48 Registration of charges or satisfaction with Registrar of Companies (ROC)

Brief Description of Charge	Location of Registrar	Period by which charge had to be registered	Reason for delay
Deed of Hypothecation dated 27 December 2021 executed between Home First Finance Company India Limited (as the borrower) and Axis Bank Limited (the lender) in relation to securing repayment of loan facility amount aggregating to ₹ 100 crores	ROC - Mumbai	30 days	The Form CHG-1 has been filed with an inadvertent delay of 5 days.

49 Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Variance	Reasons for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	15,825.77	27,002.99	58.61%	56.19%	2.42%	NA
Tier I CRAR	15,674.11	27,002.99	58.05%	55.23%	2.82%	NA
Tier II CRAR	151.66	27,002.99	0.56%	0.96%	-0.40%	NA
Liquidity Coverage Ratio*	39,502.00	31,635.41	124.87%	NA*	NA	NA

* The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2022 and 31 March 2021.

50 The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

51 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

52 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

53 As a part of normal lending business, the company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

a. No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

b. No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

55 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled after factoring in prepayment assumptions.

(₹ in million)

Assets	As at 31 March 2022			As at 31 March 2022		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	6,177.60	-	6,177.60	2,094.17	-	2,094.17
Bank balance other than cash and cash equivalents	500.89	-	500.89	4,564.51	140.00	4,704.51
Loans	6,860.88	36,187.78	43,048.66	5,165.41	28,099.59	33,265.00
Investments	-	-	-	3,750.15	-	3,750.15
Other financial assets	340.99	809.01	1,150.00	479.32	532.33	1,011.65
Non-financial assets						
Current tax assets (net)	-	0.69	0.69	-	26.97	26.97
Property, plant and equipment	-	90.97	90.97	-	90.91	90.91
Right of use assets	-	109.00	109.00	-	73.10	73.10
Other intangible assets	-	2.35	2.35	-	2.68	2.68
Other non-financial assets	83.31	5.18	88.49	74.47	7.94	82.41
Total assets	**13,963.67**	**37,204.98**	**51,168.65**	**16,128.03**	**28,973.52**	**45,101.55**
Liabilities						
Financial liabilities						
Trade payables	62.05	-	62.05	48.47	-	48.47
Debt securities	988.72	699.10	1,687.82	1,698.92	696.94	2,395.86
Borrowings (other than debt securities)	7,878.29	25,101.56	32,979.85	6,491.30	21,649.73	28,141.03
Other financial liabilities	495.73	73.37	569.10	489.10	45.68	534.78
Non-financial-liabilities						
Provisions	4.76	40.60	45.36	3.13	29.23	32.36
Deferred tax liabilities	-	17.39	17.39	-	79.58	79.58
Other non-financial liabilities	70.23	-	70.23	64.04	-	64.04
Total liabilities	**9,499.78**	**25,932.02**	**35,431.80**	**8,794.96**	**22,501.16**	**31,296.12**
Net	**4,463.89**	**11,272.96**	**15,736.85**	**7,333.06**	**6,472.37**	**13,805.43**

Note: The Company has undrawn facilities amounting to ₹ 3,560.20 million as at 31 March 2022 (31 March 2021: ₹ 3,545.00 million).

56. Public disclosure on Liquidity Risk of Home First Finance Company India Limited as on 31 March 2022 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies and RBI circular No. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/ 03.10.136/2020-21 dated 22 October 2020 for regulatory framework for Housing Finance Companies (HFCs)

56.1 Funding Concentration based on significant counterparty (borrowings)

Number of Significant Counterparties #	Amount * (₹ in million)	% of Total Deposits	% of Total liabilities**
16	33,845.86	-	95.52%

#Significant counterparty is defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/ 03.10.001/2019-20 dated 04 November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies. Accordingly, Company has considered lender with more than 1% of total outstanding borrowing as significant counterparties.
* Borrowings amount excludes the interest accrued but not due

**Total liabilities has been computed as sum of all liabilities (balance Sheet figure) less equities and other equities.

56.2 Top 20 large deposits

Not applicable. The Company is registered with National Housing Bank to carry on the business of housing finance institution without accepting public deposits.

56.3 Top 10 borrowings

Sr. No.	Amount* (₹ in million)	% of Total Borrowings
1	11,948.74	34.47%

* Borrowings amount excludes the interest accrued but not due
Top 10 borrowings have been identified considering the type of facility availed.

56.4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product *	Amount (₹ in million)	% of Total Liabilities**
1	NCD	1,687.82	4.76%
2	Term Loans from Banks & Financial Institutions	21,012.18	59.30%
3	NHB	11,942.85	33.71%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/ 03.10.001/2019-20 dated 04 November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
**Total liabilities has been computed as sum of all liabilities (balance Sheet figure) less equities and other equities.

56.5 Stock Ratios

Sr. No.	Stock Ratio	Percentage (%)
1	Commercial papers as a % of total liabilities	Nil
2	Commercial papers as a % of total assets	Nil
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
5	Other short-term liabilities as a % of total liabilities*	1.79%
6	Other short-term liabilities as a % of total assets	1.24%
7	Other short-term liabilities as a % of public funds	Nil

*Total liabilities has been computed as sum of all liabilities (balance Sheet figure) less equities and other equities.

56.6 Institutional set-up for liquidity risk management

Company's Board of Directors monitors all the risks, including liquidity risk. Governance structure, Policies and risks limits are prescribed by the Board.

Board Constituted Asset Liability Committee (ALCO) ensures effective asset-liability management, market risk management, liquidity and interest rate risk management and also adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

The Risk Management Committee constituted by the Board of Directors is primarily responsible for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Disclosures required by the RBI circular on Implementation of Indian Accounting Standards dated 13 March 2020

57 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

As at 31 March 2022

(₹ in million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	41,789.89	121.62	41,668.27	137.66	(16.04)
	Stage 2	710.04	92.38	617.66	35.74	56.64
Subtotal		**42,499.93**	**214.00**	**42,285.93**	**173.40**	**40.60**
Non-Performing Assets (NPA)						
Substandard	Stage 3	856.66	189.58	667.08	164.06	25.52
Doubtful - up to 1 year	Stage 3	149.07	57.89	91.18	57.67	0.22
1 to 3 years	Stage 3	9.50	5.04	4.46	5.13	(0.09)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**158.57**	**62.93**	**95.64**	**62.80**	**0.13**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,015.23**	**252.51**	**762.72**	**226.86**	**25.65**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	11.28	(11.28)	-	11.28
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	11.28	(11.28)	-	11.28
Total	**Stage 1**	**41,789.89**	**132.90**	**41,656.99**	**137.66**	**(4.76)**
	Stage 2	**710.04**	**92.38**	**617.66**	**35.74**	**56.64**
	Stage 3	**1,015.23**	**252.51**	**762.72**	**226.86**	**25.65**
	Total	**43,515.16**	**477.79**	**43,037.37**	**400.26**	**77.53**

As at 31 March 2021

(₹ in million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	32,322.98	121.00	32,201.98	97.86	23.14
	Stage 2	773.34	108.45	664.89	2.50	105.95
Subtotal		**33,096.32**	**229.45**	**32,866.87**	**100.36**	**129.09**
Non-Performing Assets (NPA)						
Substandard	Stage 3	495.77	135.11	360.66	81.25	53.86
Doubtful - up to 1 year	Stage 3	107.14	77.41	29.73	75.84	1.57
1 to 3 years	Stage 3	18.75	11.01	7.74	10.77	0.24
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**125.89**	**88.42**	**37.47**	**86.61**	**1.81**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**621.66**	**223.53**	**398.13**	**167.86**	**55.67**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	9.48	(9.48)	-	9.48
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	**9.48**	**(9.48)**	-	**9.48**
Total	**Stage 1**	**32,322.98**	**130.48**	**32,192.50**	**97.86**	**32.62**
	Stage 2	**773.34**	**108.45**	**664.89**	**2.50**	**105.95**
	Stage 3	**621.66**	**223.53**	**398.13**	**167.86**	**55.67**
	Total	**33,717.98**	**462.46**	**33,255.52**	**268.22**	**194.24**

58 Disclosures required by the RBI vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

(₹ in million)

		Liabilities	As at 31 March 2022		As at 31 March 2021	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	1,765.56	-	2,556.66	-
		Debentures : Unsecured	-	-	-	-
	(b)	Deferred credits	-	-	-	-
	(c)	Term Loans	33,017.61	-	28,207.63	-
	(d)	Inter-corporate loans and borrowing				
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans (Demand loans)	24.82	-	0.02	-
2		**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
		In the form of Unsecured debentures				
	(a)	In the form of partly secured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits	-	-	-	-

(₹ in million)

		Assets	As at 31 March 2022	As at 31 March 2021
			Amount outstanding	Amount outstanding
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a)	Secured	43,048.66	33,265.00
	(b)	Unsecured	-	-
4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i)	Lease assets including lease rentals under sundry debtors	-	-
	(a)	Financial lease	-	-
	(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors	-	-
	(a)	Assets on hire	-	-
	(b)	Repossessed Assets (Refer note below)	-	-
	(iii)	Other loans counting towards asset financing activities	-	-
	(a)	Loans where assets have been repossessed	-	-
	(b)	Loans other than (a) above	-	-

(₹ in million)

		Assets	As at 31 March 2022 Amount outstanding	As at 31 March 2021 Amount outstanding
5		**Break-up of Investments**		
		Current Investments**		
	1	Quoted		
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	3,750.15
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
	(2)	Unquoted		
	(i)	Shares	-	-
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
		Long Term investments		
	1	Quoted		
	(i)	Share		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
	2	Unquoted		
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-

(₹ in million)

6		Borrower group-wise classification of assets financed as in (3) and (4) above:	As at 31 March 2022 Amount net of provisions			As at 31 March 2021 Amount net of provisions		
		Category	Secured	Unsecured	Total	Secured	Unsecured	Total
	1	Related Parties						
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	-	-
	(c)	Other related parties	-	-	-	-	-	-
	2	Other than related parties	43,048.66	-	43,048.66	33,265.00	-	33,265.00
		Total	**43,048.66**	-	**43,048.66**	**33,265.00**	-	**33,265.00**

(₹ in million)

7		Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31 March 2022		As at 31 March 2021	
			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1	Related Parties				
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	-	-	-	-
	(c)	Other related parties	-	-	-	-
	2	Other than related parties	-	-	3,750.15	3,742.82
		Total	**-**	-	**3,750.15**	**3,742.82**

(₹ in million)

8	Other information	As at 31 March 2022	As at 31 March 2021
	Particulars	Amount	Amount
(i)	**Gross Non-Performing Assets**		
(a)	Related parties	-	-
(b)	Other than related parties	1,015.23	621.67
(ii)	**Net Non-Performing Assets**		
(a)	Related parties	-	-
(b)	Other than related parties	762.72	398.14
(iii)	**Assets acquired in satisfaction of debt**	-	-

Note: Loan Portfolio includes gross loans amounting to ₹ 160.27 million (31 March 2021: ₹ 2.57 million) against which the Company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against these loans is ₹ 172.51 million (31 March 2021: ₹2.43 million). Value of repossessed assets for loans written off is ₹ 25.06 million (31 March 2021: ₹ 10.14 million).

**Current investment means an investment which is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made.

Disclosures required by the RBI vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

59 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the years indicated, the details of capital to risk assets ratio:

	As at 31 March 2022	As at 31 March 2021
i) CRAR (%)	58.61%	56.19%
ii) CRAR – Tier I Capital (%)	58.05%	55.23%
iii) CRAR – Tier II Capital (%)	0.56%	0.96%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

The following table sets forth, for the years indicated, the details of capital to risk assets ratio under RBI Guidelines

	As at 31 March 2022	As at 31 March 2021
i) CRAR (%)	57.75%	56.21%
ii) CRAR – Tier I Capital (%)	57.19%	55.81%
iii) CRAR – Tier II Capital (%)	0.56%	0.40%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

60 Reserve fund under section 29C of NHB Act, 1987

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of NHB Act, 1987	31.11	25.20
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	510.83	316.34
	541.94	**341.54**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	71.93	5.91
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	303.07	194.49
Less:		
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	103.04	31.11
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	813.90	510.83
Total	**916.94**	**541.94**

61 Investments

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Value of investments		
i) Gross value of investments		
(a) In India	-	3,750.15
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	-	3,750.15
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	**-**	**-**

62 Derivatives

There are no derivative instruments in the Company for the year ended 31 March 2022 and 31 March 2021.

62.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-

62.2 Exchange traded interest rate (IR) derivative

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding (instrument-wise)	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

62.3 Disclosures on Risk Exposure in Derivatives : Not applicable

Since the Company has not involved in derivatives transactions, risk management policy of the Company does not cover any such disclosure.

A. Qualitative Disclosure

B. Quantitative Disclosure

(₹in million)

	As at 31 March 2022	As at 31 March 2021
i) Derivatives (Notional Principal Amount)	-	-
ii) Marked to Market Positions	-	-
(a) Assets (+)		
(a) Liability (-)	-	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

63 Gold loan

The Company does not provide any loans on collateral of gold and gold jewelleries.

64 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹in million)

	As at 31 March 2022			
	Bank borrowings	Market borrowings	Loans*	Investments**
1 to 7 Days	59.80	-	133.41	-
8 to 14 days	175.00	-	133.41	-
15 Days to one month	305.30	-	304.93	1,380.00
Over 1 month and up to 2 months	232.45	-	571.74	349.90
Over 2 months and up to 3 months	667.64	-	571.74	1,870.00
Over 3 months and up to 6 months	2,203.71	-	1,715.22	138.30
Over 6 months and up to 1 year	4,250.40	990.00	3,430.43	-
Over 1 year and up to 3 years	14,162.34	700.00	13,721.73	-
Over 3 years and up to 5 years	7,801.17	-	14,047.22	10.00
Over 5 years	3,177.35	-	8,550.84	349.20
Total	**33,035.16**	**1,690.00**	**43,180.67**	**4,097.40**

Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹in million)

	As at 31 March 2021			
	Bank borrowings	Market borrowings	Loans*	Investments**
1 to 7 Days	53.68	-	100.44	540.00
8 to 14 days	75.00	-	100.44	300.00
15 Days to one month	215.66	-	229.57	600.00
Over 1 month and up to 2 months	549.99	-	430.45	3,131.58
Over 2 months and up to 3 months	458.83	-	430.45	1,708.71
Over 3 months and up to 6 months	1,882.99	-	1,291.35	2,135.40
Over 6 months and up to 1 year	3,269.26	1,700.00	2,582.71	-
Over 1 year and up to 3 years	12,002.87	700.00	10,330.83	50.00
Over 3 years and up to 5 years	6,479.58	-	10,518.02	13.00
Over 5 years	3,204.04	-	7,473.50	340.00
Total	**28,191.90**	**2,400.00**	**33,487.76**	**8,818.69**

*Classification of assets and liabilities under different maturity buckets is based on the estimates and assumptions as used by the Company.

** Investments includes Deposits with banks as at 31 March 2022 and 31 March 2021.

Note: The Company does not have deposits, foreign currency liabilities, foreign currency assets as at 31 March 2022 and 31 March 2021.

65 Exposure

65.1 Exposure to real estate sector

(₹ in million)

Category	As at 31 March 2022	As at 31 March 2021
A) Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	42,722.43	32,828.93
(ii) Commercial real estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	792.73	889.05
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
Total Exposure to real estate sector	**43,515.16**	**33,717.98**

65.2 Exposure to capital market

Category	As at 31 March 2022	As at 31 March 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	Nil
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii) All exposures to Venture Capital Funds/ Alternate Investment Funds (both registered and unregistered)	Nil	Nil
Total exposure to capital market	**Nil**	**Nil**

65.3 Details of financing of parent company products: Not applicable.

65.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded single or group borrower exposure limit as prescribed by RBI guidelines during the year ended 31 March 2022 and 31 March 2021.

65.5 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authorisations as collateral security during the year ended 31 March 2022 and 31 March 2021.

65.6 Exposure to group companies engaged in real estate business

(₹ in million)

	As at 31 March 2022		As at 31 March 2021	
	Amount (₹ in million)	% of owned funds	Amount (₹ in million)	% of owned funds
Exposure to any single entity in a group enagaged in real estate business	-	-	-	-
Exposure to any all entities in a group enagaged in real estate business	-	-	-	-

66 Miscellaneous

66.1 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

66.2 Disclosure of penalties imposed by NHB/ RBI and other regulators

Details of penalty imposed by NHB/ RBI/ other regulators on account of contravention of certain provisions/ regulations and which has been paid by the Company

(Amount in ₹)

Provisions in contravention	31 March 2022	31 March 2021
Paragraph 29 of the Housing Finance Companies (NHB) Directions, 2010	-	5,000
Policy Circular No 18 & 40	-	5,000
Paragraph 28 of the Housing Finance Companies (NHB) Directions, 2010	-	5,000
	-	15,000

66.3 Group structure: Not Applicable. The Company does not have any holding, subsidiary or associate company.

66.4 Rating assigned by credit rating agency and migration of rating during the year

As at 31 March 2022

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

As at 31 March 2022

Instrument	Rating	Rating agency	Comments
Term loans	ICRA A+ (Positive)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (Positive)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (Stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	IND AA- (Stable)	India Ratings & Research	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Non-convertible debentures	IND AA- (Stable)	India Ratings & Research	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

As at 31 March 2021

Instrument	Rating	Rating agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (Stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (Stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (Stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

66.5 **Net Profit or Loss for the period, prior period items and changes in accounting policies**
The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

66.6 **Revenue Recognition**
There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

66.7 **Consolidated Financial Statements (CFS):** The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

67 Provisions and Contingencies

67.1 Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement of profit and loss

(₹ in million)

	Year ended 31 March 2022	Year ended 31 March 2021
i) Provisions for depreciation on investment	-	-
ii) Provision made towards income tax	401.97	339.01
iii) Provision towards non performing assets (NPA)	28.98	142.30
iv) Provision for standard assets		
-Commercial real estate	(1.08)	(1.81)
-Commercial real estate - RH	2.63	(7.22)
-Others	(16.97)	52.25
v) Other Provisions and Contingencies - Provision for gratuity and compensated absences (including Other Comprehensive Income)	12.14	9.05

67.2 Break up of loan and advances and provisions thereon

(₹ in million)

	Housing loan		Non housing loan	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Standard assets				
a) Total outstanding amount	34,667.94	27,891.22	7,832.00	5,205.09
b) Provisions made	169.45	143.09	44.55	86.36
Sub - Standard assets				
a) Total outstanding amount	699.60	422.36	157.06	73.42
b) Provisions made	155.14	100.82	34.44	34.29
Doubtful assets – Category-I				
a) Total outstanding amount	129.19	104.00	19.88	3.14
b) Provisions made	50.94	74.85	6.95	2.56
Doubtful assets – Category-II				
a) Total outstanding amount	8.70	18.30	0.80	0.45
b) Provisions made	4.64	10.56	0.40	0.45
Doubtful assets – Category-III				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	**35,505.43**	**28,435.88**	**8,009.74**	**5,282.10**
b) Provisions made	**380.17**	**329.32**	**86.34**	**123.66**

68 Draw down reserves

The Company has not made any draw down from reserves during the year ended 31 March 2022 and 31 March 2021.

69 Concentration of public deposits, advances, exposures and NPA's

69.1 Concentration of public deposits (for public Deposit taking/holding HFCs)

The Company does not accept any public deposits and hence the same is not applicable.

	As at 31 March 2022	As at 31 March 2021
Total Deposits of twenty largest depositors (₹ in million)	Not Applicable	Not Applicable
Percentage of Deposits of twenty largest depositors to total deposits of the deposit taking HFC	Not Applicable	Not Applicable

69.2 Concentration of loans and advances

	As at 31 March 2022	As at 31 March 2021
Total loans and advances to twenty largest borrowers (₹ in million)	373.16	562.16
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.86%	1.67%

69.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers / customers (₹ in million)	476.75	712.05
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.94%	1.80%

69.4 Concentration of Non performing assets (NPA) (₹ in million)

	As at 31 March 2022	As at 31 March 2021
Total exposure to top ten NPA accounts*	36.19	27.09

* The exposure is disclosed at customer level.

69.5 Sector wise Non performing assets (NPAs)

Sector wise percentage of NPAs to total advances in that sector	As at 31 March 2022	As at 31 March 2021
A Housing loans:		
1 Individuals	2.36%	1.90%
2 Builders/Project loans	2.42%	3.00%
3 Corporates	-	-
4 Others	-	-
B Non housing loans:		
1 Individuals	2.23%	1.49%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-

70 Movement of Non performing assets (NPAs)

	As at 31 March 2022	As at 31 March 2021
(I) Net NPAs to net advances (%)	1.77%	1.18%
(II) Movement of NPAs (Gross)		
a) Opening balance (₹ in million)	621.66	315.36
b) Additions during the year (net) (₹ in million)	795.66	478.95
c) Reductions during the year (₹ in million)	402.09	172.65
d) Closing balance (₹ in million)	1,015.23	621.66
(III) Movement of Net NPAs		
a) Opening balance (₹ in million)	398.13	234.13
b) Additions during the year (net) (₹ in million)	591.77	287.23
c) Reductions during the year (₹ in million)	227.18	123.23
d) Closing balance (₹ in million)	762.72	398.13
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance (₹ in million)	223.53	81.23
b) Provision made during the year (net) (₹ in million)	203.89	191.72
c) Write-off/ write-back of excess provisions during the year (₹ in million)	174.91	49.42
d) Closing balance (₹ in million)	252.51	223.53

71 Overseas assets

	As at 31 March 2022	As at 31 March 2021
NIL	-	-

72 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored	As at 31 March 2022		As at 31 March 2022	
	Domestic	Overseas	Domestic	Overseas
NIL	-	-	-	-

73 Disclosure of complaints

	As at 31 March 2022	As at 31 March 2021
a) No. of complaints pending at the beginning of the year	2	-
b) No. of complaints received during the year	288	184
c) No. of complaints redressed during the year	290	182
d) No. of complaints pending at the end of the year	-	2

74 Principal business criteria

	As at 31 March 2022	As at 31 March 2021
Housing Loan (₹ in million)	35,505.43	28,435.88
Construction Finance - Residential (₹ in million)	200.11	357.12
Housing Finance (clauses a to k of para 4.1.16)	69.47%	63.14%
Housing finance for individuals (clauses a to e of para 4.1.16)	69.08%	62.34%

75 There were no instances of fraud reported during the year ended 31 March 2022 and 31 March 2021.

76 Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration
No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 03 May 2022

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 03 May 2022

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 03 May 2022

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 03 May 2022

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 03 May 2022

Assurance Report

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report

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

We have undertaken to perform limited assurance engagement for Home First Finance Company India Limited (the 'Company') vide Engagement Letter dated April 28, 2022 in respect of the agreed indicators/parameters listed below (the "Identified Sustainability Indicators"). These indicators/parameters are as identified in the Global Reporting Initiative (GRI) Standards Content index on pages 75 to 76 of the Integrated Annual Report of the Company for the year ended March 31, 2022 ('the Integrated Annual Report').

Identified Sustainability Indicators
The Identified Sustainability Indicators are summarised in Annexure 1 to this report.

Our limited assurance engagement was with respect to the year ended March 31, 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report and, therefore, do not express any conclusion thereon.

Criteria
The criteria used by the Company to prepare Identified Sustainability Indicators are Global Reporting Initiatives Standards ("GRI Standards") as stated under "About this Report" on page (i) of the Integrated Annual Report (the 'Criteria').

Management's Responsibility
The Company's management is responsible for identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Integrated Annual Report in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the integrated annual report and measurement of Identified Sustainability Indicators, which is free from material misstatement, whether due to fraud or error.

Inherent limitations
The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002
T: +91 (124) 4620000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Assurance Report

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) '*Assurance Engagements other than Audits or Reviews of Historical Financial Information*', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, etc., and those with responsibility for managing company's Integrated annual reporting.
- Performed understanding and evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting on the agreed Indicators/ parameters.
- Performed limited substantive testing on a selective basis of the identified sustainability Indicators at corporate head office, to check that data had been appropriately measured, recorded, collated and reported.
- Reviewed the level of adherence to GRI Standards, the reporting framework followed by the Company in preparing the Integrated Annual Report.
- Reviewed of the Integrated Annual Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report on performance with respect to agreed Indicators/ parameters and relevant source data/information.
- Obtained representations from Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.



Assurance Report

Exclusions
Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance"
- Aspects of the Integrated Annual Report and the data/information (qualitative or quantitative) other than the identified Sustainability Indicators.
- Data and information outside the defined reporting period i.e. April 1, 2021 to March 31, 2022.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Indicators contained in the Integrated Annual Report for the year ended March 31, 2022 are not prepared, in all material respects, in accordance with the Criteria.

Restriction on Use
Our limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016



Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 22093263AIXSTF2934

Place: Gurugram
Date: May 13, 2022

Assurance Report

Annexure 1

Identified Sustainability Indicators

S. No	Indicator No.	Indicator Description
1	401-1	New employee hires and employee turnover
2	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
3	401-3	Parental Leave
4	404-1	Average Hours of training per year per employee
5	404-2	Programs for upgrading employee skills and transition assistance programs
6	404-3	Percentage of employees receiving regular performance and career development reviews
7	405-1	Diversity of governance bodies and employees
8	405-2	Ratio of basic salary and remuneration of women to men
9	406-1	Incidents of discrimination and corrective actions taken
10	413-1	Operations with local community engagement, impact assessment, and development programs



Notice of **Annual General Meeting**

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 13th ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED ("THE COMPANY") IS SCHEDULED TO BE HELD ON FRIDAY, JUNE 10, 2022 AT 02:00 P.M. INDIAN STANDARD TIME ("IST") THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business:

1. **To receive, consider and adopt:**

   The Audited Balance Sheet, Statement of Profit and Loss and Cash Flow Statement with notes forming part thereof, the Directors' Report (along with all the annexures) and Auditor's Report for the financial year ended March 31, 2022.

Special Businesses:

2. **To consider and approve the retirement of Mr. Vishal Gupta as Nominee Director of Bessemer India Capital II Holdings Ltd.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof, Mr. Vishal Vijay Gupta, Nominee Director (DIN: 01913013) of Bessemer India Capital II Holdings Ltd, who retires by means of rotation at the 13th Annual General Meeting, does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board, be not filled up at the Annual General Meeting or any adjournment thereof.

3. **To approve the increase in borrowing powers in excess of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at the 10th Annual General Meeting held on 12th June, 2019 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the applicable directions / guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and the relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers, including the powers conferred upon by this resolution) for borrowing from time to time, as they may think fit for the purpose of the business of the Company, any sum or sums of money not exceeding ₹7,500 crore (Rupees Seven Thousand Five Hundred Crore only) (including the money(ies) already borrowed by the Company) in Indian Rupees or in any equivalent foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured whether domestic or international, and if secured, whether by way of charge, by way of mortgage or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects

or properties including stock in trade (receivables), notwithstanding that the money to be borrowed together with the money(ies) already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium provided that the total borrowing limit shall be within the limits prescribed under the RBI Master Directions.

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding ₹7,500 crore (Rupees Seven Thousand Five Hundred crore only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the money(ies) already borrowed by the Company) on such terms and conditions as the Board may deem fit, by way of loans, or in any other form whatsoever, or issue of Bonds and/or Non-Convertible Debentures or other Securities or Term Loans, Cash Credit facilities External Commercial Borrowings or other facilities in form of debt in the nature of Debentures, Commercial Papers and the like to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non- Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether Securities holder of the Company or not.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and the Board or the Committee of Directors be and is hereby authorized to arrange or finalise the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, agreements and writings and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

4. **To approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at the 10th Annual General Meeting held on 12th June, 2019 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and relevant provisions of the Articles of Association of the Company, and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee of the Board, constituted/ to be constituted / reconstituted to exercise its powers including the powers conferred by this resolution) to create charge by way of mortgage(s) and/or hypothecation and/or lien or otherwise on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future and / or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such

undertaking(s) wherever situated, on such terms and conditions at such time(s) and in such form and manner, and with such ranking in terms of priority, as the Board in its absolute discretion thinks fit, to or in favor of any bank(s) or Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or Security Trustee(s) or body(ies) corporate or person(s), whether Securities holders of the Company or not, to secure the borrowing facility together with interest, cost, charges and expenses thereon for amount not exceeding ₹7,500 crore (Rupees Seven Thousand Five Hundred Crore only) at any point of time (including the money(ies) already borrowed by the Company).

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank exclusive/prior/pari-passu/subsequent with/to the hypothecation/mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

By order of the Board of Directors,
For Home First Finance Company India Limited

Shreyans Bachhawat
Company Secretary & Compliance Officer
Mem No: A26700
Date: May 17, 2022
Place: Mumbai

Registered & Corporate Office Address:
511, Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai-400059.
CIN: L65990MH2010PLC240703
Tel: 022 6694 0386
E-mail: corporate@homefirstindia.com
Website: www.homefirstindia.com

Notice of **Annual General Meeting**

Notes:

1. In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 December 14, 2021 and General Circular No 2/2022 dated May 5, 2022 read together with General Circular Nos. 14/2020 & 17/2020 dated 8th April, 2020 and 13th April, 2020, respectively, (collectively referred to as "MCA Circulars"), and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD /CMD2/ CIR/P/2021/11 dated January 15, 2021, permitted the holding of the Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the registered office of the Company. Since, the AGM will be held through VC, the route map, and attendance slip are also not annexed to this Notice.

2. Further pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) , Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and the MCA and SEBI Circulars, the Company is holding its Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. For the said purpose the Company has engaged the services of National Securities Depository Limited (NSDL) for conducting AGM through VC/OAVM. Further, NSDL has also been engaged for facilitating e-voting to enable the members to cast their votes electronically using remote e-voting system as well as e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the notes below.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts relating to the special business(es) to be transacted at the AGM is annexed hereto. The Board of Directors, at its meeting held on May 3, 2022 considered that the Special business under item no. 2, 3 and 4 being unavoidable, be transacted at the AGM.

4. All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. June 10, 2022. Members seeking to inspect such documents can send an email to corporate @homefirstindia.com.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act"), the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Certificate from the Secretarial Auditors pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM.

   Further, members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company from their registered email address, mentioning their name, DP ID and Client ID number and mobile number, at least 48 hours in advance before the commencement of the Meeting i.e. latest by June 8, 2022, 02.00 P.M. IST through email to corporate@homefirstindia.com. Such questions shall be taken up during the meeting or replied by the Company suitably.

6. In terms of the MCA circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointing proxies by Members under Section 105 of the Companies Act, 2013 will not be available for the AGM. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM. Corporate Members intending to appoint their representatives are requested to send a scanned certified copy of the board resolution authorizing their representatives to corporate@homefirstindia.com with a copy marked to mail@aashishbhatt.com and evoting@nsdl.co.in.

7. Pursuant to the abovementioned Circulars, the Company will send the Annual Report for the FY22 and AGM notice in electronic form only. The Notice of AGM and Annual report for the FY22 are also placed on the website of the Company i.e. www.homefirstindia.com and the website of National Securities Depository Limited i.e. www.evoting.nsdl.com and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com).

8. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on Friday, May 13, 2022 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars.

9. The facility for electronic voting system, shall also be made available during the AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights during the AGM. The Members who have already casted their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

10. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote for every Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Member(s) as on the cut-off date and any person who is not a member as on that date should treat this Notice for information purposes only.

11. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 01:30 P.M. (IST) i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility, 15 minutes after the scheduled time to start the AGM. The facility of participation at the General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. However, the said restriction on account of first come first served principle shall not be applicable on large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID, No. of shares, PAN, mobile number at corporate@-homefirstindia.com till June 3, 2022 Only those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM.

The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

14. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number, email id, mobile number at corporate@homefirstindia.com. The same will be replied by the company suitably.

15. The Board of Directors have appointed Mr. Aashish K Bhatt (Certificate of Practice no.7023) Designated Partner of M/s Bhatt & Associates, Company Secretaries LLP as the Scrutiniser to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

16. The Scrutiniser will, after the conclusion of e-voting at the AGM, scrutinise the votes cast at the AGM and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same and declare voting results (consolidated) within two working days from the conclusion of the AGM. The voting results along with the consolidated Scrutiniser's Report, will be placed on the website of the Company (www.homefirstindia.com) and the website of NSDL (www.nsdl.com) immediately after the declaration of result by the Chairman and in his absence, any Director/officer of the Company authorised by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited. It shall also be displayed on the Notice Board at the Registered Office and the Corporate office of the Company.

17. In order promote optimum utilization of natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, Company details covering name of the Company and branch details, Company account number, MICR code, IFSC code, etc. with their depository participants and with RTA to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.

18. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts.

19. Members are requested to notify the change in address if any, with Pin Code numbers immediately to the RTA i.e. Kfin Technologies Limited, Selenium Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Hyderabad, Telegana- 500 0032. Tel No: +91 40- 6716 2222, Website: www.kfintech.com.

20. Non-Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their Company account maintained in India with complete name, branch account type, account number and address of Company with pin code number, if not furnished earlier. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

21. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM by e-mail and holds shares as on the cut-off date i.e. on June 3, 2022, may obtain the User ID and password by sending a request to e-mail address evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting his/her vote. In the case of forgot password, the same can be reset by using "Forgot User Details/Password?" option available on www.evoting.nsdl.com.

22. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 18001020990 and 1800224430 or send a request

at evoting@nsdl.co.in. or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated e-mail IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-9920264780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's e-mail address corporate@homefirstindia.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND ATTENDING THE ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, June 6, 2022 at 09:00 A.M. and ends on Thursday, June 9, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday June 3, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with

Notice of **Annual General Meeting**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk Datails
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) If you are still unable to get the password by aforesaid option, you can send a request at evoting@nsdl.co.in mentioning your demat account number, your PAN, your name and your registered address etc.

c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aashish@aashishbhatt.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to

the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to corporate@homefirstindia.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

Notice of **Annual General Meeting**

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting through Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Notice of **Annual General Meeting**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned in the accompanying Notice dated May 17, 2022:

Item No. 2:

Pursuant to the provisions of Section 152(7) of the Act and in accordance with the Articles of Association of the Company, Mr. Vishal Gupta (DIN: 01913013), Nominee Director of Bessemer India Capital Holdings II Ltd ("Bessemer") appointed on February 28, 2018, is liable to retire by rotation at the ensuing Annual General Meeting. Mr. Vishal Vijay Gupta has expressed his opinion indicated to the Company that he intends proposes to retire from his directorship and therefore is not seeking re-appointment at the AGM. The Company has also received an intimation from Bessemer that it giving their consent to retire Mr. Vishal Gupta as their Nominee and does not intend to nominate any other Director to fill up the vacancy.

The Board of Directors of the Company ("Board") at its meeting held on May 3, 2022 placed on record the appreciation for the invaluable inputs in the area of information technology development, digital platforms partnerships and in shaping the growth strategy of the Company during his tenure as a Nominee Director and accordingly, the Board does not propose to fill the vacancy caused due to his retirement at this Annual General Meeting.

Further as per Section 152(7) of the Companies Act, 2013, the members shall expressly resolve not to fill the vacancy caused by such retirement at the Annual General Meeting or any adjournment thereof.

The Board recommends the Ordinary Resolution as set out in item no.2 for approval of the Members of the Company.

Except Mr. Gupta, None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no.2 of the accompanying Notice.

Item No. 3 & 4:

At the 10th Annual General Meeting of the Company held on June 12, 2019, the members in terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, had granted their approval by way of a Special Resolution to the Board of Directors, to borrow from time to time, such amounts as they may deem necessary for the purpose of business of the Company, not exceeding ₹5,000 Crores (Rupees Five Thousand Crores only) over and above the then paid-up share capital and free reserves of the Company (reserves not set apart for any specific purpose) and in terms of provisions of Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create a charge on any of the moveable and/or immoveable properties and/or the whole or any part of undertaking(s) of the Company to secure its borrowings up to the limits of Section 180(1)(c).

In terms of provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Members in a general meeting, by means of a Special Resolution, borrow money(ies) where the money to be borrowed, together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up share capital, free reserves and securities premium.

As at March 31, 2022, the outstanding borrowings of the Company stood at ₹3,467 Crores (Rupees Three Thousand Four Hundred and Sixty-Seven Crore). In contemplation of business expansion and in order to fulfil the loan disbursements in the future, the Board may have to resort to multiple financing alternatives, the amount of which is expected to exceed the approved existing borrowing limit of ₹5,000 Crores (Rupees Five Thousand Crores only).

Taking into account the increased fund requirements, as well as the enabling provisions of Section 180(1)(c) of the Companies Act, 2013, the approval of the Members for item no. 3 of the notice is being sought by means of a Special Resolution, as the borrowing limit of ₹7,500 Crore (Rupees Seven Thousand Five Hundred only).

In accordance to above, the said borrowings by way of loan or issue of securities may be required to be secured by way of charge through lien / hypothecation / mortgage over all or any part of the movable and / or immovable asset of the Company and as per the provisions of Section 180 (1) (a) of the Act, the mortgage or charge on all or any part of the movable and /or immovable asset of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the Members of the Company is required by way of a Special Resolution as set out at Item No. 4 of the Notice.

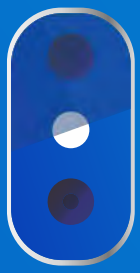
As per Section 180(1)(a) and 180(1)(c) and other applicable provisions of the Act, approval of the Members is being sought by way of passing Special Resolution. Hence, the Board recommends passing of the enabling Special Resolutions set out at item No. 3 and 4 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 and 4 of the accompanying Notice.

By order of the Board of Directors,
For Home First Finance Company India Limited

Shreyans Bachhawat
Company Secretary & Compliance Officer
Mem No: A26700
Date: May 17, 2022
Place: Mumbai

Registered & Corporate Office Address:
511, Acme Plaza, Andheri Kurla Road,
Andheri (East), Mumbai-400059.
CIN: L65990MH2010PLC240703
Tel: 022 6694 0386
E-mail: corporate@homefirstindia.com
Website: www.homefirstindia.com



homefirst
We'll take you home

Home First Finance Company India Ltd.

CIN: L65990MH2010PLC240703

Registered Office: 511, Acme Plaza,
Andheri - Kurla Road, Andheri East, Mumbai - 400 059

www.homefirstindia.com

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