

Business Responsibility Report



ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT (Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **U65990MH2010PLC240703**
2. Name of the Company: **Home First Finance Company India Limited**
3. Registered address: **511, Acme Plaza, Andheri Kurla Road, Mumbai – 400 059**
4. Website: www.homefirstindia.com
5. E-mail id: corporate@homefirstindia.com
6. Financial Year reported: **FY21**
7. Sector(s) that the Company is engaged in (industrial activity code-wise)-
NIC Code- 64910 Description - Housing Finance Activities
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
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 offers customers other mortgage loans including loans against property.
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5)- **Nil**
 - (b) Number of National Locations- **As at March 31, 2021 the Company has a network of 72 branches spread across 11 states and 1 union territory.**
10. Markets served by the Company – Local/State/National/International- **The Company serves Local/State and National Level markets with focus on rural and semi-urban areas of India.**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital ₹ 17.48 Crs
2. Total Revenue from Operations ₹ 477.12 Crs
3. Total profit after taxes- ₹ 100.14 Crs

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - Refer Annual Report on CSR annexed to the Directors' Report.
5. List of activities in which expenditure in 4 above has been incurred: - Refer Annual Report on CSR annexed to the Directors' Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

The Company does not have any subsidiary company during the year under review.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not Applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Our vendor partners and service providers do sign agreements to ensure ethical & responsible business conduct. Our fair practices code covers all the partners that help in our sourcing activities. We ensure that we work with the partners with sustainable business practices. Our partner for technology is salesforce.com who are committed to reduction in emission, support the Sustainable Development Goals and a signatory to United Nations Global Compact.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number: 01741612
 2. Name- Mr. Manoj Viswanathan
 3. Designation- Managing Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	01741612
2	Name	Mr. Manoj Viswanathan
3	Designation	Managing Director & CEO
4	Telephone number	+91 22 6694 0386
5	e-mail id	corporate@homefirstindia.com

1. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
		Ethics and Transparency	Product Responsibility	Human Resource	Corporate Social Responsibility	Respect for Human Rights	Responsible lending norms	Public Policy Advocacy	Inclusive Growth	Customer Engagement
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N*	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
Policy conforms to National Standards										
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate BoardDirector?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies are available to the employees of the Company. Most of the policies are also available on the Company's website: www.homefirstindia.com								
7	Has the policy been formally communicated to all relevant internal & external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	N/A	Y	Y	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

Notes:

- a. The policies have been developed based on the best practices or as per the regulatory requirements and through appropriate consultation with relevant stakeholders
 - b. May include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website www.homefirstindia.com.
 - c. The policies of the Company are internal documents.
 - d. The following policies are relevant to the principles:
 - ESG policy
 - Code of Conduct
 - Credit Policy
 - Equal Opportunity Policy
 - HR Policy
 - Grievance redressal policy
 - Fair Practice Code
 - Vigil Mechanism and Whistle blower policy
 - Corporate Social responsibility policy
 - Know Your Customer (KYC) and Anti Money Laundering Measures Policy
 - Policy on Prevention of Sexual harassment in the workplace
 - 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
 - Fit and Proper Criteria for Directors
 - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:
While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
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.
The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis.
The BR performance of the Company is assessed by the following committees: (i) the Audit Committee, (ii) the Corporate Social Responsibility Committee and (iii) the Nomination and Remuneration Committee.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The company is in its first year post listing to publish the BR report as part of the Annual Report. The Annual report is available on the website of the Company at www.homefirstindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company accords utmost importance to ethical, transparent and accountable conduct by employees and stakeholders. The compliance function of the Company ensures compliance with various regulatory and statutory requirements at all appropriate levels. It updates the Board and management on the status of compliances in a rapidly changing regulatory environment. The Company believes that good governance is

more than just a compliance with legal and regulatory requirements. The Company has inter alia adopted the following policies to ensure ethical, transparent and accountable conduct:

- i. Customer Grievance Policy
- ii. Fair Practice Code
- iii. Code of Conduct for the Board of Directors and the Senior Management Personnel
- iv. Fit and Proper Criteria for Directors
- v. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- vi. Policy on Prevention of Sexual harassment in the workplace
- vii. Vigil Mechanism and Whistle blower Policy
- viii. Know Your Customer (KYC) and Anti Money Laundering Measures Policy

The Code of Conduct is communicated to all employees through various media; new joinees are educated about the Code of Conduct. In addition to that, we also have regular updates sent to all employees. The Company has put in place a Whistle Blower

Policy for Directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected frauds/violations of the Company's Code of Conduct or insider trading related matters, if any.

The Code of Ethics and Business Policies are applicable to all employees, consultants, representatives and agents. There was no violation of the Company's Code of Conduct in the FY21. Further, no case was reported under the Company's Whistle Blower Policy or under the Sexual Harassment Policy during the Financial Year.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company encourages all its stakeholders to freely share their concerns and grievances.

During the year under review the following stakeholder complaints were received by the Company.

Sr. No.	Particulars	Complaints received	Complaints resolved	Pending	Complaint Resolution (%)
1	Customer Complaint	184	184 [^]	-	100
2	Shareholder Complaint	2	2	-	100
3	Compliant under Whistle Blower	Nil	Nil	Nil	N/A
4	Complaints relating to sexual harassment	Nil	Nil	Nil	N/A
5	Complaint relating to Discriminatory Employment	Nil	Nil	Nil	N/A
6	Complaint relating to Child/ Forced/ Involuntary Labour	Nil	Nil	Nil	N/A

[^] As on the date of this report, all the 184 complaints are resolved. As of Mar'21, 182 complaints were redressed.

Principle 2: TO PROVIDE SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

We are in the business of providing home loans in the affordable segment. We have

launched the following steps/products/processes to address social and environmental concerns.

- a. From the inception of the company, we offered our customers the option of pre-paying their loan fully or partially with zero pre-payment charges. This practice was later also mandated by the regulator and made applicable to all banks and HFCs.

- b. We created the concept of "Auto Prepay" where customers can opt to repay a fixed amount of principal every month. We facilitate this for customers by carrying out an auto-debit into their bank account and reducing their loan by that amount. Customers can opt for pre-payments as low as ₹ 500 per month and this enables them to pre-pay their loan much earlier than their contracted tenure.
 - c. The industry practice in India with respect to home loans involves the collection of photocopies of all relevant documents to establish the credentials of the customer. At HomeFirst we have introduced a process where we have eliminated the need for collecting any paper throughout the underwriting process. Our Relationship Managers scan the necessary documents directly from the originals, with their smartphones. This eliminates the use of photocopies and helps in saving paper.
2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
- a. In the last 10 years, 18,254 customers have made 75,994 prepayments resulting in total reduction in loan burden of ₹ 597 Crs. That is a saving of ₹ 388 Crs for customers over a 10 year period at our average rate of interest.
 - b. 2587 customers have pre-paid ₹ 8.15 Crs over the last 10 years through our auto-prepay program.
 - c. The estimated annual saving of paper because of our paperless process is about 3,60,000 pages (2000 applications per month * 15 pages per application) which is equivalent to 36 pine trees.
3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**
Not applicable.
4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
All our branches procure locally from surrounding communities for 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.

The company has established tie-ups for originating loans with small, local players in the construction eco-system. Members of this construction community, such as contractors, plumbers, masons, carpenters etc can refer customers for home loans to HomeFirst and earn a small fee for their effort.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
Not Applicable.

Principle 3: TO PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees = 687
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis = Nil
3. Please indicate the Number of permanent women employees. = 216, which is 31.4% of the total employee base. At the mid management level the ratio goes up to 40%. In our Head office the ratio of permanent women employees to total Head Office employees is at 52.7% (68 out of 129). In the Management Team, the ratio of women employees is 25% (2 out of 8).
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management.: Nil
6. What percentage of your permanent employees is members of this recognized employee association: Nil
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees = 100%
- (b) Permanent Women Employees = 100%
- (c) Casual/Temporary/Contractual Employees = Not applicable
- (d) Employees with Disabilities = Not applicable

Principle 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

1. Has the company mapped its internal and external stakeholders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.-

Yes, the Company fully endorses and supports the government's endeavor towards its flagship scheme, "Affordable Housing for All." Towards this goal, the Company has given housing loans to customers categorized as 'economically weaker section' and 'low-income group', under various schemes of the government.

HomeFirst has played a vital role in Gov's PMAY-CLSS initiative. During the year, the Company has received subsidy under PMAY-CLSS worth ₹ 173.92 Crs in respect of 6862 beneficiaries and the same has been credited into to the respective customers' loan account as applicable. As on Mar'21, subsidy of ₹ 0.09 Crs with respect to 5 customers is refundable to National Housing Bank.

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalized sections of society.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company is serving the underserved population in rural and semi-urban parts of India and helping them to convert their dream of owning a home into reality.

The Company's businesses focus is on servicing the key needs of people through financial products. CSR initiatives undertaken by the Company are an extension of its socially inclusive business model. In the current FY the focus was on 3 main areas: Disaster Management, Healthcare & Hygiene, Socio-economic Development.

During the pandemic we identified 300 odd families of migrant workers in Ahmedabad & Surat. They were stranded without food or cash and extended help with dry ration kits, personal hygiene products and COVID-19 kits that were customized to suit men, women and children of the families.

In another project we assisted 1,296 power loom workers to travel back to their factories. A special train called the Powerloom Workers Express was arranged from Ganjam district in Orissa to Surat to bring back these workers who were desperate to start their livelihoods.

The pandemic has proved that we need more robust health care systems. Donations were made to Seva Hospital in Surat, Satya Sai Hospital in Ahmedabad, Rajkot Cancer Society in Rajkot and Tata Memorial Hospital in Mumbai. Financial support towards patient care, medical infrastructure and cancer research would go a long way in powering our country forward.

We also, made contributions to the Prime Minister's National Relief Fund, looking at the

series of disasters our country had to go through. Across various parts of India, natural disasters wreaked havoc and every bit of support helps!

Principle 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/Others?

The policy of the Company is applicable on the Company as well as on the external stakeholders.

The Company upholds the principles of being an organisation that respects human rights, is non-discriminatory amongst employees and provides for a redressal mechanism to the key constituents that it deals with. Code of Conduct of the Company respects and promotes human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the Financial Year, the Company had not received any complaint(s) on human right violation. For details of all Stakeholder Complaints, refer the response on Principle 1

Principle 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors NGOs/others.

The policy of the Company is applicable on the Company and external stakeholders. The Company promotes ecological sustainability and green initiatives such as recycling paper and other waste material. Besides adopting energy saving mechanisms, employees are sensitised towards making efforts to reduce the carbon footprint of the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

Yes.

The Board of Directors (the "Board") of Home First Finance Company India Limited (the "Company") has adopted and formulated ESG Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company's website at www.homefirstindia.com

3. Does the company identify and assess potential environmental risks?

Yes, the Company assesses the potential environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is technology driven housing finance company that makes continuous efforts to digitalize business operations thus promoting conservation of valuable natural resources and green initiatives.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company complies with requisite environmental regulations in respect of its premises and operations.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no show cause/legal notices received from CPCB/SPCB during FY 21.

Principle 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The company is a member of ASSOCHAM and National Real Estate Development Council (NAREDCO)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - No

Principle 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company is a retail, affordable housing finance company, primarily serving low- and middle-income salaried and self-employed customers in semi-urban and rural areas. A majority of the customers have limited access to formal banking credit. The efforts of the Company are aligned to the mission of transforming customers lives and driving a positive change in communities. The Company supports inclusive growth and equitable development through CSR. The Company has a detailed CSR policy; CSR activities are monitored by the Board and the CSR Committee. The major CSR programs are being pursued in the areas where it operates. The Company's CSR initiatives focus on healthcare and eradication of poverty. Programs are executed by experienced personnel.

1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company's approach for taking forward such programmes/Initiatives/Projects are given in the CSR Policy. Projects implemented by the Company in FY21 and

Project wise CSR expenditure is given in "Annexure V" of the Directors' Report. The Company also partners with Government of India to provide home loans to customers from the LIG/ MIG segments under Pradhan Mantri Awas Yojna for implementing Credit Link Subsidy Scheme (CLSS). The Company encourages including the female member in the loan, where they are the Applicant/Co-Applicant for the loan depending on their profile. This helps promote women's economic and social empowerment at the grass root levels.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO / government structures /any other organization?

The Company is directly involved in implementing all the CSR projects. The Company teams up with reputed NGOs / organizations for ground level executions. The idea is to look at the bottom most section of our business pyramid and create long term, measurable impact. The interventions are designed to provide an easy access to food, basic healthcare, skill development programs and overall improve their lives.

3. Have you done any impact assessment of your initiative?

In one of our projects, nearly 1,300 powerloom workers from Ganjam district, Odisha returned to Surat on a special train arranged by us. These workers were desperate to return to their work places; post the first wave of pandemic was over, and start with their livelihood. The return of these workers proved to be crucial, they could start earning back for their families, who were finding it very difficult to make their ends meet due to the prolonged lockdown. Also, Surat's power looms being the backbone of the city's economy, workers return have played a vital role in city's economic recovery.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Refer “Annexure V” of the Directors' Report where community development projects are part of CSR Expenditure.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

At HomeFirst, we believe that our society plays the most important role in making a happy home. The responsibility lies with each one of us to support our society and help it prosper, create shared value and grow together! The Company's CSR programmes are developed inhouse in consultation with experienced professionals who have dedicated their lives for the greater good. The CSR Committee reviews the performance of all the CSR Projects in the Committee Meetings.

Principle 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

In the current FY, The Company had received 184 complaints, which was 0.6 % of the total queries received and 0.3% of the total live loans and 61% of the complaints are transaction related covering Moratorium, Subsidy, ECS requests etc. The Company is happy to report that 100% of the complaints received, have been resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company stays true to it's core values (speed, transparent, unconventional) and ensures all communications to be clear and every processes to be transparent. All our product related information is available on our website with details on it's features, uniqueness, service charges and fees. At the time of onboarding and documentation, a set of most important terms and conditions (MITC) is handed over to customers in their preferred language along with the loan agreement which includes all the loan parameters, current interest rate/type, repayment details, fees structure etc. The customer can, request for the soft copy at any point of their loan journey. Also, product related informations are available on the Notice Board, displayed at all the physical branches.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, we have been conducting NPS surveys for the last 4.5 years at the loan sanction stage on a rating scale of 0-10. The scores have been ranging from 40 to 55 on an average. NPS survey is conducted every month and customers with slightly lower rating are called back to understand their concerns.

For and on behalf of Home First Finance Company Limited

Deepak Satwalekar
Chairman and Independent Director
DIN: 00009627
Date: May 3, 2021

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612