homefirst
We'll take you home

Integrated
Annual Report
2022-23

About this Report

Our Approach to Reporting

HomeFirst is publishing its second Integrated Report for FY 2023 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 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 with reference to the Global Reporting Initiative (GRI) Standards and United Nations Sustainable Development Goals (UN SDGs).

Reporting Period

The Integrated Report FY 2023 is an annual publication for the period April 1, 2022 to March 31, 2023.

Materiality & Scope & Boundary

The Integrated Report FY 2023 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 the overall environmental, social and economic performance of HomeFirst across 111 Branches as on Mar'23 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 ('the Company') for the period April 1, 2022 to March 31, 2023. 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 (PWCALLP). The assurance is in accordance with the limited assurance criteria of the International Standards on Assurance Engagements (ISAE) 3000 Revised and ISAE 3410.

The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on page no. 317

FY 2022-23 in brief

Growth

111
Physical Branches

265
Touchpoints

₹7,198 Crs
Assets Under Management

43%
CAGR (FY17-FY23)

₹3,013 Crs
Disbursals

Productivity

₹3.3 Crs
24% Y-o-Y
Disbursement / Employee

₹75.4 Crs
6% Y-o-Y
Assets Under Management /Branch

Funding

₹3,618 Crs
Raised Including Assignments

26 Lenders
Diversified Funding

ICRA AA-
Stable Outlook
Credit Rating improved

₹280 Crs
Raised from IFC to finance affordable housing and green housing

Risk Management

1.6%
0.7% Y-o-Y
GNPA Improved*

2.7%
1.0% Y-o-Y
30+ DPD *(Back to pre-covid levels)*

Tech

93%
Customers Registered on Customer App

88%
Loans Approved within 48 hours

ESG

16.2
ESG Risk Score
(Categorising under "Low Risk")

Great Place to Work
(Third Time In a Row)

23.9%
Employees covered Under ESOP Program

68.2%
AUM is towards EWS / LIG customers

24%
Women workforce

**1.6% (0.9% pre RBI circular) compared to 2.3% (1.3% pre-RBI circular) for FY22.*

Theme of the Report

'1,00,000 Homebound'

It's time for HomeFirst to take home the coveted "Silver Play Button". After all, we have hit the 100k subscribers mark! And it's not on a digital platform but in the real world. Yes, we have serviced more than 1,00,000 customers now! The loyalty of all these customers has been earned through an unrelenting focus on customer centricity the ability to put the customer at the center of everything. The mind has conceived the product, the technology, and the processes, but our heart is with our customers.

We identified real issues faced by home loan customers and turned them into business opportunities. Can we evaluate someone's income without documented proof? Can we do it quickly, and consistently without disrupting someone's day-to-day work? Can we ensure timely repayment without intruding on a customer's privacy? Understanding what a customer needs at a deeper level helped us create customized, hassle-free solutions. Keeping service at heart, we have used technology to streamline processes and make them simple. Customers started appreciating the experience they received at HomeFirst - faster turnarounds, transparent counselling sessions, easy-to-use mobile apps and these became our core USPs or differentiators from traditional home loan providers!

Coming back to 100,000, the Karman line is an imaginary boundary that defines the limit between the Earth's atmosphere and outer space that lies at an altitude of 100,000 metres above sea level. It is an important milestone for space exploration, as crossing it requires spacecraft to overcome the forces of gravity and air resistance, and enter into the realm of space. Individuals who have flown above this altitude are considered astronauts.

100,000 customers is a significant milestone for the Company and our journey so far is probably not incomparable to the journey of a spacecraft trying to move out from the Earth's gravitational field into space. We see this as the first step of many leaps that we need to take to become a household name in this country.

Performance Highlights

₹7,198 Crs
Asset Under Management

₹11 lakhs
Average Ticket Size of Housing Loan

1.6%
GNPA
(0.9% pre RBI circular)

3.9%
ROA

Contents

Corporate Overview
7-32

Sustainability Report
33-81

Statutory Reports
82-229

Financial Statements
230-316

Assurance Report
317-320

Notice of AGM
321-342

Arpit Jain

Biology Faculty in a private coaching institution. He has taken a Home Construction loan

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. 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

Committees 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

IT Strategy Committee
Mr. Anuj Srivastava (Chairman)
Mr. Manoj Viswanathan
Ms. Nutan Gaba Patwari
Mr. Ajay Khetan
Mr. Gaurav Mohta
Ms. Vilasini Subramaniam
Mr. Devendra Mani

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
Bank of India
IDBI Bank Limited
DCB Bank Limited
State Bank of India
Federal Bank Limited
HDFC Bank Limited
Union Bank of India
Axis Bank Limited
ICICI Bank Limited
The Karur Vysya Bank Limited
CSB Bank Limited
Bajaj Finance Limited
Kotak Mahindra Bank Limited
HSBC Bank
South Indian Bank
Qatar National Bank
Karnataka Bank
Yes Bank
Jammu & Kashmir Bank
Shinhan Bank
Indian Bank

Smart loans for affordable homes

HomeFirst is a technology driven, affordable housing finance company founded in 2010. We provide home loans to customers from low-and middle-income segments who are building or buying their first homes

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!

HomeFirst at **a Glance**

Our Customers


Formal Salaried

Rahul Trivedi
Sales Executive, LG Electronics

₹25,000 Monthly salary
₹8,42,000 Loan


Informal Salaried

Kalpeshbhai Hadiyel
Senior Technician, Sagar Packaging Sales and Services

₹20,000 Monthly income
₹11,11,000 Loan


Self Employed

Karma Kanwar
Nagina Artist, Works From Home

₹25,200 Monthly family income
₹8,65,000 Loan

Challenges faced by affordable housing customers	HomeFirst Value Proposition
▪ Inability to meet tedious documentation process of large banks ▪ Time consuming sanction process ▪ Dealing with middle men ▪ Hidden fees and charges	▪ Empathetic loan process via well-educated and trained Relationship Managers ▪ Holistic evaluation of formal and informal income sources of the customer ▪ Doorstep service with a paperless process. 48 Hr TAT for approval ▪ Full-feature mobile apps powered with a pre-payment module ▪ Zero prepayment charges. No hidden charges

Properties we finance


Self-constructed home
Avadi, Chennai

Property Cost
₹18,00,000


Row house
Sachin, Surat

Property Cost
₹13,00,000


Apartment
Kamptee Road, Nagpur

Property Cost
₹30,00,000

1,00,000

home buyers trusted us with their dreams

₹11.1 Lakhs
Average Ticket Size

₹20K - 50K
Monthly Household Income

88% FY'23
Loans approved within 48 Hrs

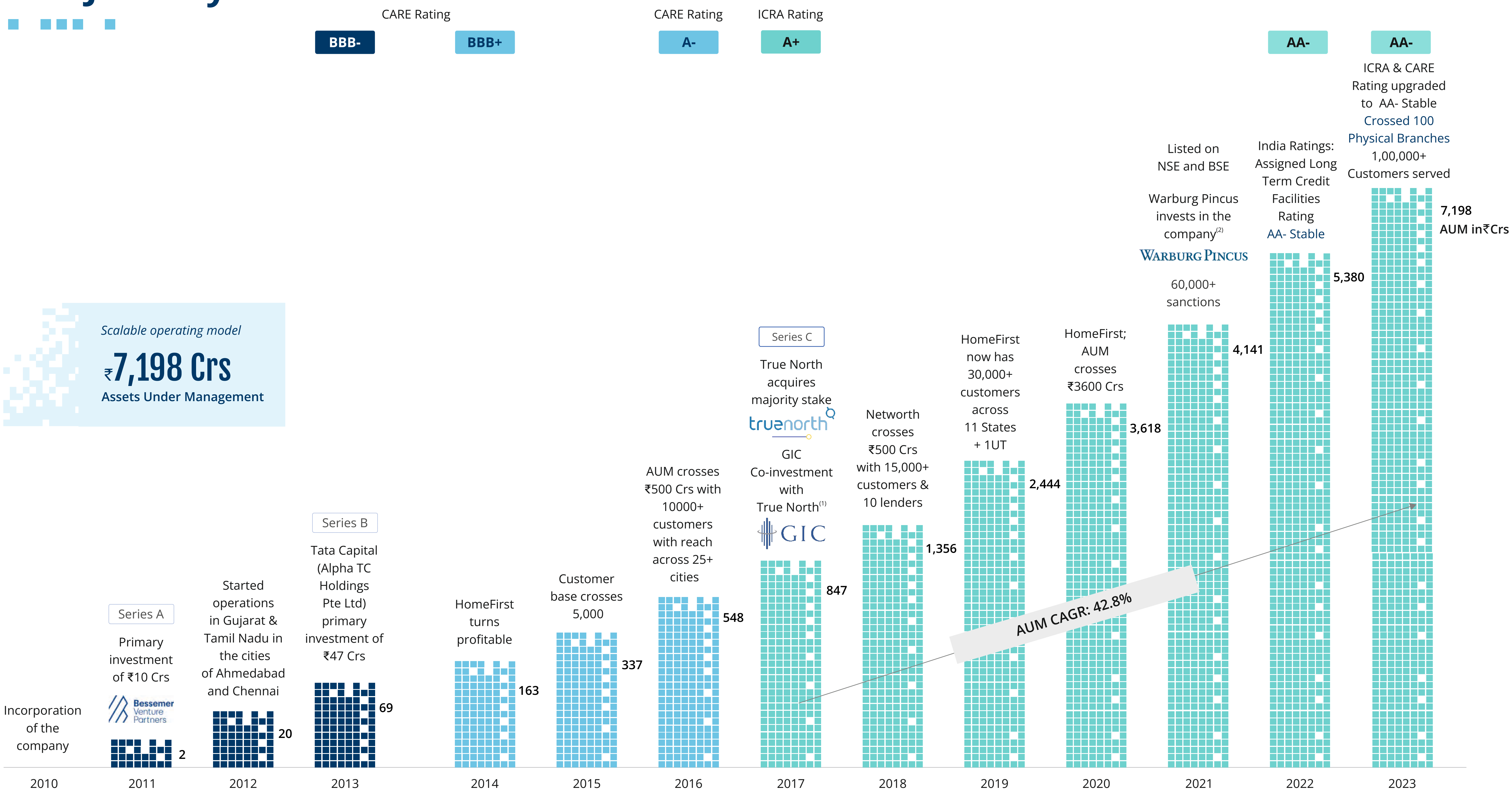
82 FY'23
NPS

Our **Journey**

Scalable operating model

₹7,198 Crs

Assets Under Management



Early Days and Proof of Concept | **Consolidation** | **Scaling Up**

Notes:

1) Aether has co-invested with True North. Waverly owns 100% of Aether Class B Shares. Waverly is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd

2) Investment by Orange Clove Investments B.V (an affiliate of Warburg Pincus). Warburg Invested on 1st October 2020

12 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	IndAS FY23
Total Income	-	2	7	20	39	62	95	146	271	419	489	596	796
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**	**492**
Interest Income on loans	-	1	5	16	33	55	84	126	229	342	406	477	682
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303
Net Interest Income	**-**	**1**	**2**	**6**	**11**	**19**	**31**	**62**	**104**	**151**	**190**	**262**	**379**
Net Gain on DA	-	-	-	-	-	-	-	-	21	37	44	68	38
Other Non-interest income	-	1	2	4	6	7	11	20	21	40	39	51	75
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**	**492**
Opex	1	3	5	8	12	16	26	42	74	104	106	130	176
Credit Cost	-	-	-	-	1	1	2	2	7	17	32	25	22
Total Expense	1	3	8	18	35	53	81	108	206	312	355	369	500
Tax	-	-	-	-	1	3	5	13	19	27	34	52	67
One time adjustment	-	-	-	-	-	-	-	-	-	-	-	(12)^	
PAT	**(1)**	**(1)**	**(1)**	**2**	**3**	**6**	**9**	**25**	**46**	**80**	**100**	**186**	**228**
Funds (₹ in Crs)													
Debt	-	5	44	96	216	365	554	870	1,926	2,494	3,054	3,467	4,813
Equity	15	28	50	99	102	154	308	333	523	933	1,381	1,574	1,817
Total Assets	16	34	102	216	359	597	990	1,372	2,482	3,480	4,510	5,117	6,737
Key Metrics (₹ in Crs)													
AUM	2	20	69	163	337	548	847	1,356	2,444	3,618	4,141	5,380	7,198
Disbursement	2	12	35	90	211	277	424	746	1,573	1,618	1,097	2,031	3,013
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	26
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%^	3.9%
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%^	13.5%
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%	49.4%
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%	48.9%
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	88,016,767
Face value per share (₹)	10	10	10	10	10	10	10	10	2*	2	2	2	2
BVPS	53	80	113	161	166	198	298	323	83	119	158	180	206
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%	3.0%

Notes

Effective April 1, 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 April 1, 2018 as the transition date. Accordingly, FY19 financials have also been restated as per IndAS for comparison.

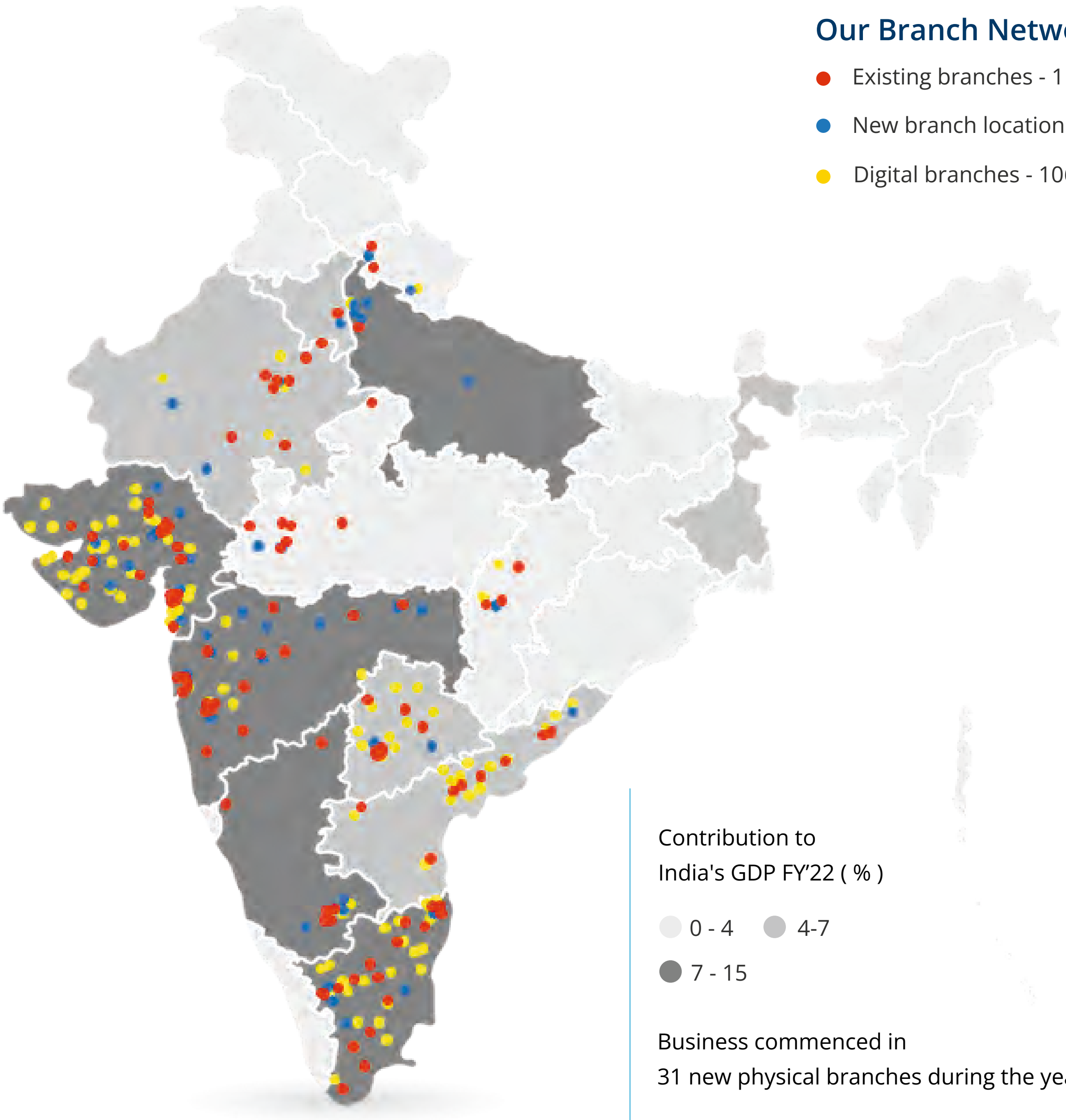
The shareholders, vide a special resolution, have approved subdivision of equity shares of the Company in the ratio of five equity shares of ₹2 each against one equity share of ₹10 each respectively. Accordingly, 15,659,543 shares of ₹10 each, were subdivided to 78,297,715 shares of ₹2 each as at 30 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.

^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 - 111
- New branch locations - 48
- Digital branches - 106

Contribution to India's GDP FY'22 (%)

0 - 4
4-7
7 - 15

Business commenced in 31 new physical branches during the year

Increased presence in 21 new districts

111	119	13	265
Branches	Districts	States / UT	Touchpoints

Disclaimer Map 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

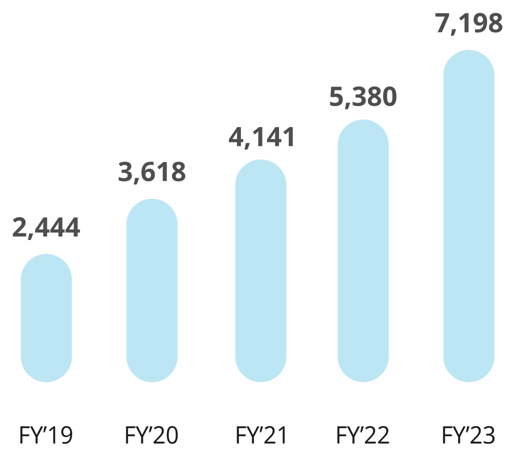
Business Metrics

Assets Under Management **₹7,198 Crs**

in ₹Crs

4 Yrs CAGR 31.0%

Y-o-Y 33.8%

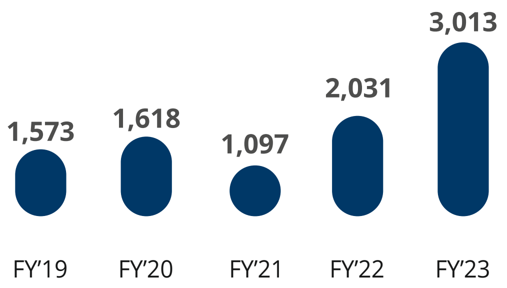


Disbursement **₹3,013 Crs**

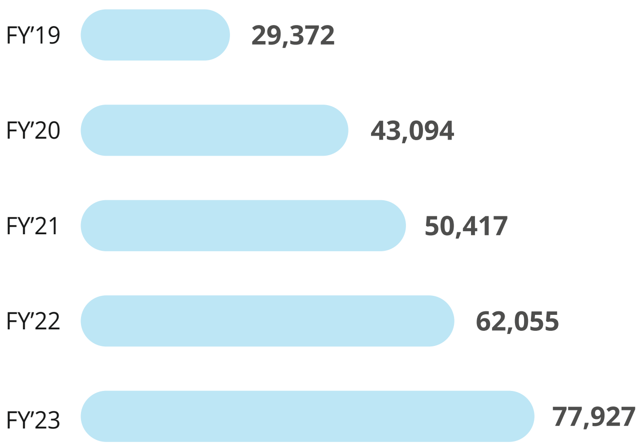
in ₹Crs

4 Yrs CAGR 17.6%

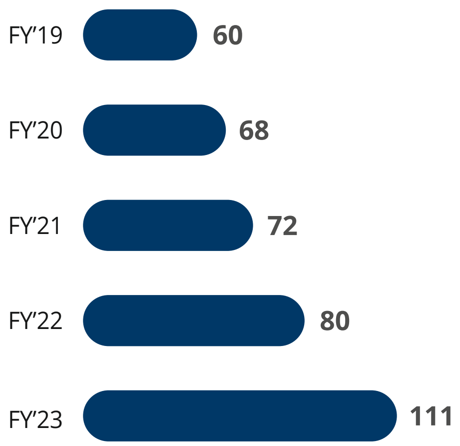
Y-o-Y 48.4%



Number of Loan Accounts **77,927**



Number of Branches **111**

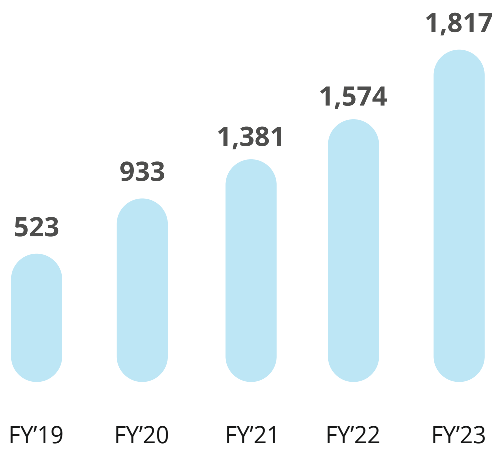


Performance Highlights

Balance Sheet Metrics

Networth **₹1,817 Crs**

in ₹Crs

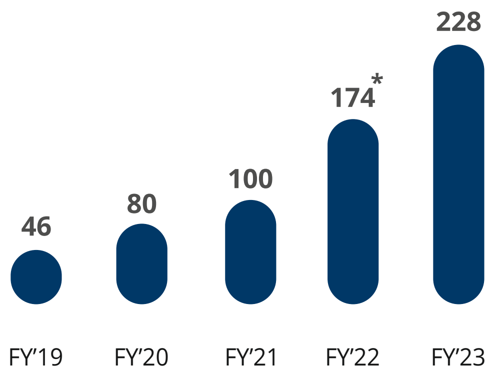


Profit After Tax **₹228 Crs**

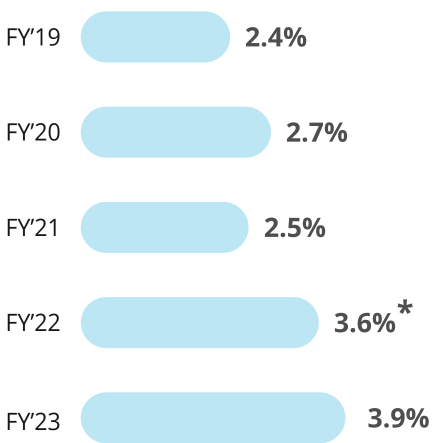
in ₹Crs

4 Yrs CAGR 49.5%

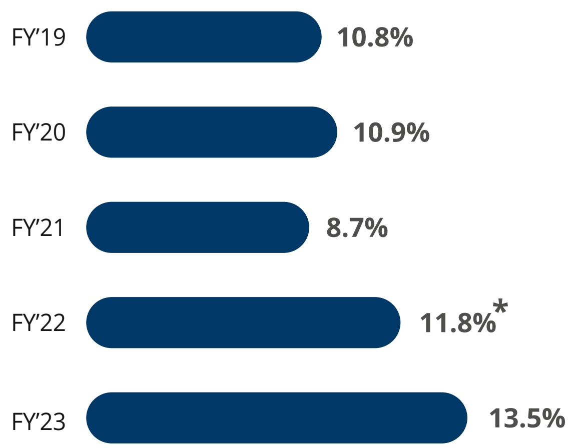
Y-o-Y 31.1%



RoA **3.9%**



RoE **13.5%**



** 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*

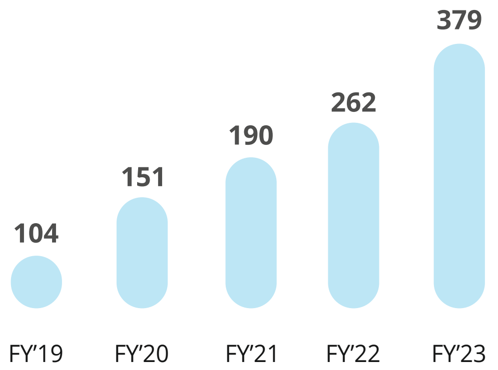
Performance Highlights

Profit & Loss Metrics

Net Interest Income **₹379 Crs**

in ₹Crs

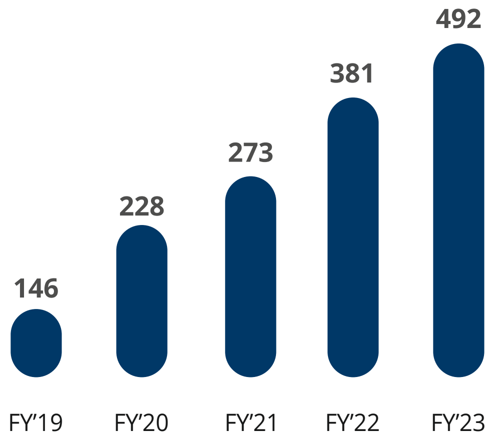
4 Yrs CAGR 38.2%
Y-o-Y 44.6%



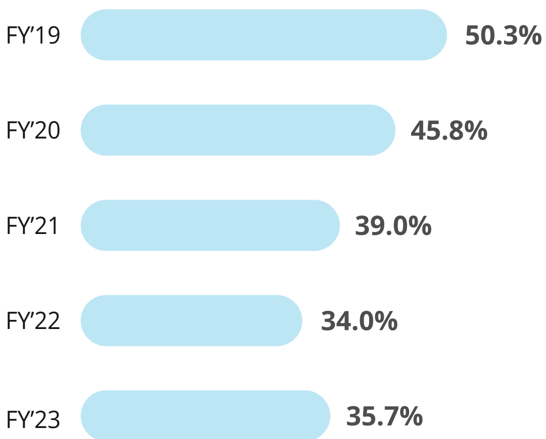
Net Total Income **₹492 Crs**

in ₹Crs

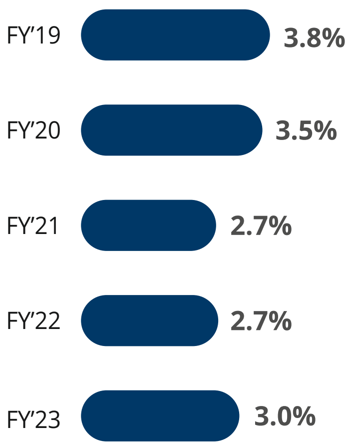
4 Yrs CAGR 35.5%
Y-o-Y 29.3%



Cost to Income **35.7%**



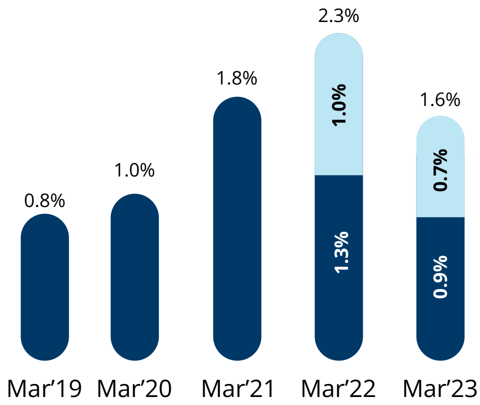
Opex to Assets **3.0%**



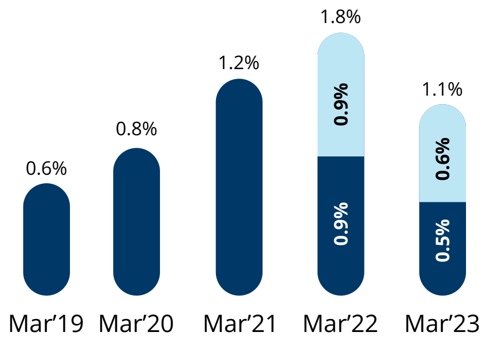
Performance Highlights

Asset Quality Metrics

GNPA **1.6%**

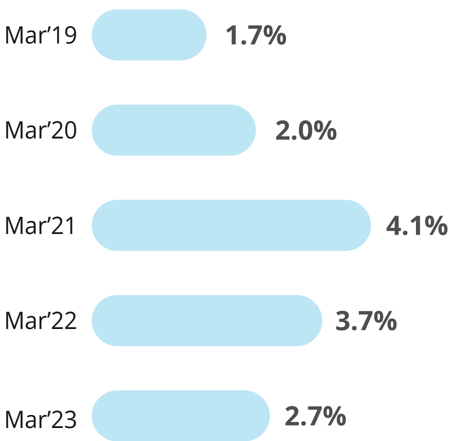


NNPA **1.1%**

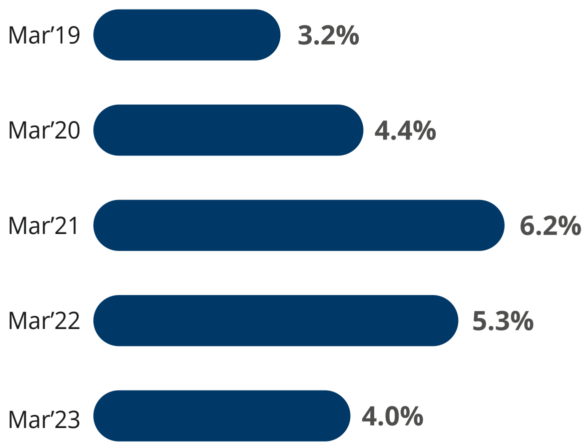


Re-classification due to RBI circular

30+ DPD **2.7%**



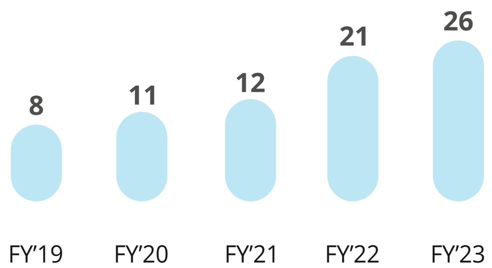
1+ DPD **4.0%**



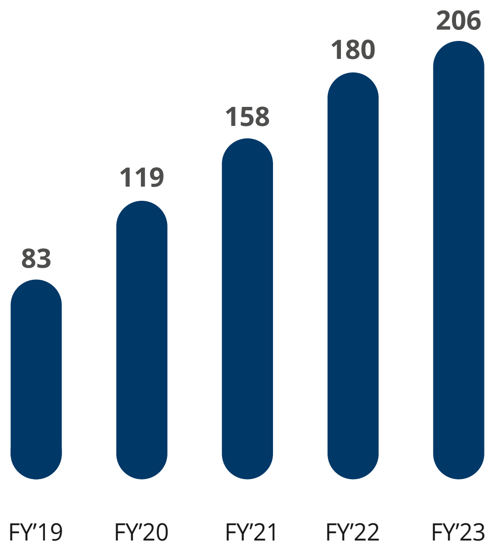
Performance Highlights

Operational Metrics

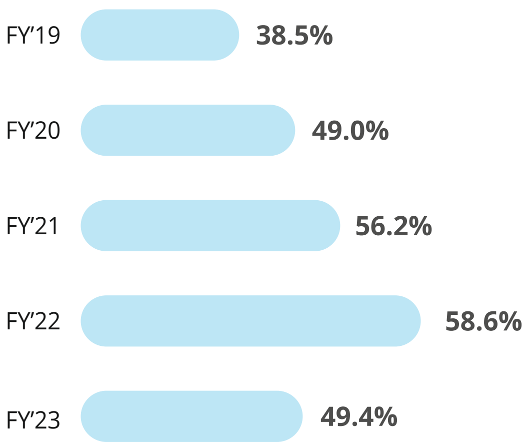
EPS* ₹26



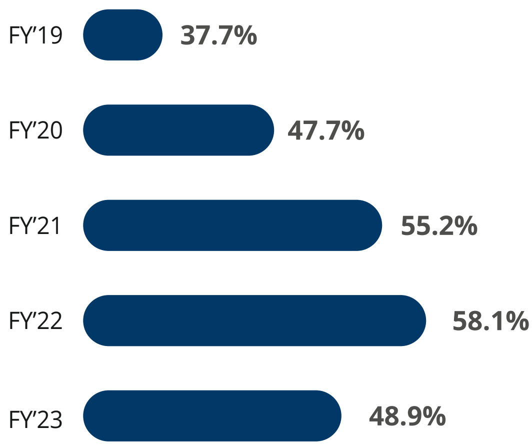
BVPS* ₹206



CRAR 49.4%



CRAR - Tier I 48.9%



**EPS and BVPS for FY19, FY20, FY21,FY22 and FY23 is computed using Face Value per share of ₹2 post considering sub-division of shares*

Chairman's Statement

HomeFirst has grown from strength to strength, leveraging technology across various facets and is well placed to deal with challenges to become a large new-age housing finance company for digital India"

Deepak Satwalekar

Chairman / Independent / Non-Executive Director

It gives me great pleasure in writing to you again, sharing my thoughts on the performance of the Company in FY23, the overall environment and the large sector opportunity in which your Company, HomeFirst, is well placed.

The global economy has been severely impacted in FY23 by the Russia-Ukraine war. The war crippled the global supply chain, triggered a global food shortage, spiked commodity prices and consequently led to high inflation rates across the world. Before the Ukraine conflict started, in February 2022, the Reserve Bank of India had projected average inflation at 4.5 per cent for FY23 in the backdrop of the receding Covid-19 pandemic. However, geopolitical tensions overturned the macroeconomic conditions globally and prices of crude oil, metals, and food increased at an unprecedented rate. In India, inflation touched a peak of 7.8 per cent in April 2022. The average inflation during May-November 2022 period remained at 6.8 per cent. In addition, China's Covid led disruption in supply chain weighed heavily on economic growth and consumer confidence. This led most central bankers to increase rates in response to tackle inflation and the RBI had to respond to global dynamics even though Inflation in India was in single digits vis-à-vis double digits in many developed countries.

The free-money era of negative interest rate funds disappeared, but many developed countries today have entered into a new era of high inflation & low growth. However, with China opening up after a long period of strict Covid restrictions and increasing US Infrastructure spending, in the medium term, there are triggers for the return of global growth.

With prudent fiscal policy and significant focus on financing capital investments, India is creating a long-term foundation for growth and is working on providing an alternative in the global supply chain through Production Linked Incentive (PLI) schemes.

India's agile public digital infrastructure is a game changing initiative which the private players can also tap into. Your Company HomeFirst has been a big ambassador and beneficiary of this digital revolution. As per IMF, India will continue to deliver high GDP growth amongst large economies. Credit growth in India has so far been in the high-teens giving confidence. Many macro indicators are reaching new highs: GST collections saw an average monthly collection of more than ₹1.4 Trn in FY23 and exports at USD 700 bn for the first time ever (including software exports). However, global conditions may have an adverse impact on this story in the near term.

Housing demand in India is expected to be strong, underpinned by strong economic activity, increasing middle class population, rapid industrialization, increasing working-age population, increase in per capita incomes and nuclearization of families.

In the short term, we expect the demand to continue despite 250bps of repo rate rise since May 2021 as the rates are still below pre-covid levels. India's housing finance penetration has just crossed double digit a few years ago and we have a long way to go when compared to peers. Finance for affordable homes had been one of the missing links in India. Given that the informal economy is still substantial, income assessment is still a major challenge for many lenders. Hence, it presents a large untapped opportunity for companies like HomeFirst that have a specialized understanding in this area.

This time around, the industrial and economic growth is not restricted to just the metro and Tier 1 cities. Increasing competition amongst the States for attracting investment has led to the creation of a better business climate and increased ease of doing business. This has also led to greater dispersal of industry and consequent demand for housing in Tier 3 and 4 towns. As economic activity picks up there, and ease of living improves, the housing demand increases, keeping pace with improvements in social infrastructure. Your Company's distribution strategy is leveraged on this dispersal.

On the business front, FY23 has been a year of inflection after the Covid impacted years of FY21 & FY22. Your Company has achieved higher growth in business and profitability with improving asset quality. We are on a strong growth path which is reflected via new milestones. In FY22, HomeFirst crossed the milestone of ₹5,000 Crs AUM. In FY23, the AUM crossed ₹7,000 Crores and Profit After Tax grew by 31.1% to ₹228 Crs. The Board of Directors, after due deliberation, keeping in mind the expectation of shareholders and the improvement in profitability, has decided on a dividend of ₹2.6 per share.

Our distribution reach is growing strong. During FY23, your Company added 65 touchpoints to reach a total of 265 touchpoints. 31 physical branches were added to reach a total of 111 branches. In the next 2 years, HomeFirst is planning to add another 40-50 physical branches to reach about 150 branches and about 130 touch points to reach 400 touchpoints (including 150 physical branches).

Co-lending has ramped-up well with our 2 partners Central Bank of India and Union Bank of India. The regulations create a win-win opportunity for banks and HFCs and these partnerships will enable HomeFirst to expand its product offerings to customers in the geographies it operates in, while continuing to leverage its technology led customer-first approach and enhance our brand presence. Your Company's asset quality is now at pre-Covid levels. We focus early, on delays in payments to reduce flowthrough to late buckets.

Credit rating agencies have reaffirmed their belief in your Company's stable operation and strong balance sheet by upgrading the rating from "A+ Positive" to "AA- Stable". This fortifies HomeFirst's strong financial profile along with its ability to maintain adequate liquidity and exhibit efficient capital management. The rating elevation also reinforces the strong credentials of HomeFirst from both operational and financial perspectives and should lead to lower cost of funding.

For any lending company, diversifying funding sources is an important aspect. During the year, HomeFirst has received funding of ₹280 Crs from International Finance Corporation (IFC), a member of The World Bank Group. These funds will be utilised to provide financing for retail buyers of affordable green housing units, encouraging home ownership for low-income segments, and supporting the development of green affordable housing. Your Company continues to have strong relations with leading commercial banks in the country enabling it to raise funding through term loans, non-convertible debentures and direct assignment of loans to banks thus maintaining healthy liquidity in these uncertain times. Refinance from NHB continues as an important source of funding for affordable housing.

India has taken major steps in using technology in deepening of financial reach through digital medium. UPI continues to drive digital payments, and is now going international. With e-Rupee, the payments mechanism in India has received a further boost. HomeFirst has leveraged technology to drive operational efficiency, deliver faster turnarounds, increase transparency, build scale and reduce costs. Our tech stack also helps us to stay true to our core values of being "Swift, Transparent and Unconventional".

Your Company received an ESG rating from Morningstar's Sustainalytics (a leading ESG rating agency) with a risk score of 16.2 in low-risk category vis-à-vis majority of BFSI Peers in medium to high-risk category. This industry leading score is a validation of your Company's sustainable and socially responsible practices with strong corporate governance practices. We will continue to operate responsibly with best-in-class practices.

In its thirteen-year journey, your Company has provided housing loans to more than 100,000 customers across 13 States/UT in the country. Disbursements of ₹3,013 Crs during the year in FY23 were the highest ever in its journey, reflecting 48.4% growth from FY22. Asset quality (90+ DPD) has improved from 1.3% in FY22 to 0.9% in FY23 (pre-RBI circular changes). Your Company's Adjusted Profit After Tax grew by 31.1% in FY23 at ₹228 Crs from ₹174 Crs in FY22. Consequently, ROE has improved from 11.8% in FY22 to 13.5% in FY23.

HomeFirst has built a profitable business model which will grow larger through a calibrated expansion strategy, focus on customer requirements, quality of the book and a diversified lender base. HomeFirst has also grown from strength to strength, leveraging technology across various facets and is well placed to deal with challenges to become a large new-age housing finance company for digital India.

We value the support provided by all stakeholders, National Housing Bank (NHB), Reserve Bank of India (RBI), our customers, lenders, rating agencies and my colleagues on the Board. The unwavering efforts of our employees who are our brand ambassadors on ground is deeply appreciated as we could not have achieved this performance without them.

Thank You,
Deepak Satwalekar, Chairman & Independent Director

From the desk of **MD & CEO**

This year has been full of challenges, but our team has persevered and delivered outstanding results. We have continued to innovate, evolve, and adapt to the changing landscape of our industry, while staying true to our core values and commitment to providing affordable housing finance solutions. Looking ahead, we see tremendous opportunities for growth and expansion, fuelled by our investments in distribution, technology, talent, and risk management."

Manoj Viswanathan

Managing Director and CEO

The last financial year (FY22) ended with a sense of relief at the tapering of the pandemic. The vast majority, overcome by zoom-fatigue were looking forward to abandoning social distancing. However, the next set of events that unfolded at the beginning of FY23 transformed what was supposed to be a benign year into an edge of the seat thriller.

The year started with the Russian[1] invasion of Ukraine. This was followed by unprecedented high inflation across the western world driven by covid induced largesse. Central banks started increasing policy rates to curb inflation led by the US Fed. Policy rates in USA moved up from near 0 at the beginning of the year to 5% by year end with an increase of 75bps almost every 2nd month. While inflation in India (~6-7%) was not as high as in many western markets, it was higher than RBI's upper threshold of 6%. This prompted RBI to increase policy rates by 250 bps during the year. However, inflation remained stubborn, fuelled by supply chain disruptions due to covid surge in China and further inflamed by the political stand-off between China and USA.

It is surprising that an affordable housing finance business in India needs the above preamble, but this year global events have left their mark even on a mid-sized company like HomeFirst. The sector had just emerged from covid with a positive reputation of being a resilient sector. It was proven that first time home owners, who purchase or build homes priced between ₹ 0.5-2.5 Mn are emotionally attached to their homes and would go out of their way to ensure EMI payments to their lenders even in the face of extreme financial stress. This was true for our customers as well. Our GNPA that saw a moderate uptick during covid settled down to pre-covid levels; But the new nemesis for housing loan customers was the increase in interest rates. Policy rates were moving up rapidly and this was expected to have a two-pronged effect on housing loans. Rate increases prima facie meant that EMIs would increase and this could have an adverse effect on repayment. Rate increases could also compel customers to defer their home purchase decisions leading to weakness in demand and disbursal growth. Let us see how this played out in the industry in general and HomeFirst in particular. An indirect impact anticipated was also a compression in spreads.

Although the policy rates increased by 250 bps during the course of the year, transmission to our cost of borrowing was muted and gradual on account of borrowing cost being linked to MCLR of lender banks. For the first 2 quarters of the year, our borrowing cost actually dropped below that at the start of the year. It is only in Q3 (Oct-Dec) that the cost of borrowing started moving up, going up to 7.9% in Q4FY23. We offset this by increasing the rates for customers. Three rate increases were passed on: 25bps (1st July'22), 50 bps (1st Dec'22) and 50bps (1st Apr'23). These rate increases did not impact customer repayment due to the following reasons: a) For most customers rate increases were passed on through an increase in the tenure of the loan keeping the EMIs constant. Thus, the cash flows and household budgets of customers did not get disturbed. b) 40% of HomeFirst customers have availed the PMAY-CLSS subsidy that amounted to ~26% of the loan for those customers. The impact of this subsidy is to reduce the loan amount to the extent of the subsidy, in turn reducing the EMI burden for the customer. Since the customer's EMI was already lower that the original EMI, rate increases did not stretch the EMI beyond the customer's original repayment capacity. After 3 rate increases, we have only 2% of our customers who have an EMI increase in excess of ₹1,000. We have registered a spread of 5.7% for the year on an average, netting a PAT of ₹228 Crs - growth of 31.1% on y-o-y basis over ₹174 Crs in the previous year. This translates to a Return on Assets of 3.9%, an increase of 30 bps compared to last year. As a result, ROE improved sharply by 170 bps to 13.5% in FY23 over 11.8% in FY22. In Q4FY23 the Company delivered an ROE of 14.4% vs 12.5% for Q4FY22.

Increase in interest rates did not dampen demand as anticipated. Vibrancy in the Indian economy[2] and second order effects of covid such as working from home etc had a positive effect in driving up housing demand in the country. HomeFirst capitalized on this growing demand by scaling up distribution rapidly. We added 31 branches this year taking the total to 111. We also increased our presence to 119 districts (an addition of 21), giving us access to more than 50% of the affordable housing industry in the country. Overall, our distribution points (including branches) increased from 200 to 265. We continue to focus our expansion in the States of Gujarat, Maharashtra, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu, supplemented by gradual and contiguous expansion in the other States where we are present. Expansion will span Tier 1, 2 and 3 levels of towns. We are targeting to reach 400 touch points by March 2025. We are targeting an AUM growth of 30%+ for FY24 to enable us to cross the ₹10,000 Crs AUM mark in the next 12-18 months. We have a three-pronged approach to growth – centered on expanding distribution, increasing market share and expanding the addressable market through co-lending.

The second half of the year, saw the collapse of Silicon Valley Bank followed by a few other banks in the US and Europe. This raised some questions on the strength of the balance sheets of small and mid-sized banks and financial institutions in India. HomeFirst is well capitalized with a capital adequacy of 49.4%. The Company has diversified & cost-effective long-term financing sources with nil dependence on short term sources like CPs. Our cost of borrowing remained competitive at 7.4% in FY23. This year we raised a total funding of ₹ 3,618 Crs.

Pre-payment rates are high for home loans in India resulting in effective loan tenures of 6-7 years against the original contracted loan tenure of 20 years or more. This ensures that assets and liabilities are well matched with surpluses in every time bucket. Portfolio quality continues to be strong. Gross Stage 3 (GNPA) as per latest RBI guidelines, improved by 20bps to 1.6% in Q4, from 1.8% in Q3. This includes ₹42 Crs which is currently in buckets less than 90DPD but included in NPA due to asset classification norms as per RBI notification dated 12-Nov-2021. Prior to such classification it is 0.9% and stands below Mar'20 levels. Asset quality is at pre-covid levels and we intend to maintain this with a bias towards gradual improvement. Our strategy is to achieve this by strengthening our data driven risk models and filters. The stability in input parameters post covid will enable us to accomplish this.

HomeFirst continues to invest in technology and we have a number of projects lined up for the year that will enable us to widen our moats in origination, underwriting and collections. The big development in the technology world this year was the emergence of Large Language Models (LLMs) the most popular of which was Chat GPT (Generative Pre-trained Transformer) which is a deep learning language model developed by OpenAI. Earlier AI models relied on carefully labelled training data. LLMs do not require pre-labelling and can hence be trained on vast amounts of data to learn patterns and relationships within language and can be used for a variety of applications such as language translation, chatbots, text summarization, and language modelling. LLMs in fact can be trained on the entire internet which explains the excitement and anxiety around its capabilities. We anticipate that with the passage of time, this Annual Report may be generated by the next generation of Chat GPT.

This year has been full of challenges, but our team[3] has persevered and delivered outstanding results. We have continued to innovate, evolve, and adapt to the changing landscape of our industry, while staying true to our core values and commitment to providing affordable housing finance solutions. Looking ahead, we see tremendous opportunities for growth and expansion, fuelled by our investments in distribution, technology, talent, and risk management. We remain steadfast in our dedication to delivering exceptional value to our customers, shareholders, and all stakeholders. Our focus on sustainability, responsible lending, and financial inclusion will continue to guide our decisions and actions, as we strive to create a better future for all.

1 'Vlad-mir' apparently means 'Prince of Peace' in Russian. Wonder what irony means in Russian.
2 GDP growth in India at 5.90% compared to world average of 2.80%.
3 We are a lean team of 993 employees.

OUR STRATEGIC PRIORITIES

- TECH IN MIND
- SCALE AND GROWTH
- OPERATIONAL EFFICIENCY
- FUNDING
- RISK MANAGEMENT
- ESG

HomeFirst is guided by its Vision, Mission and Values. Keeping these in mind, we developed our Strategic Priorities in our FY22 Annual report that will steer the organization over the next 3-5 years.

We have stayed focused on our defined priorities and we present an update on the same for FY23.

What we plan to do

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

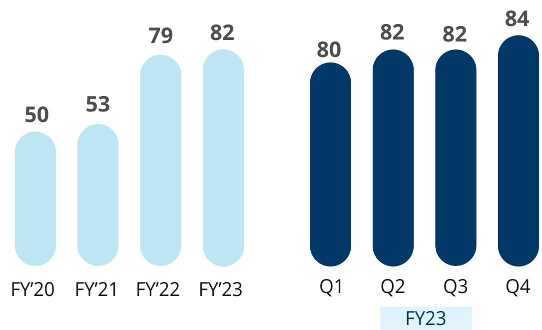
Building blocks and what is on our mind

- 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
- Process loans on best in class platforms to bring full visibility and trail in our operations
- Provide superior service to our channel partners, customers and employees via mobile apps, AI driven interfaces and digital payment methods
- Make our collection processes highly analytical, time bound and efficient.

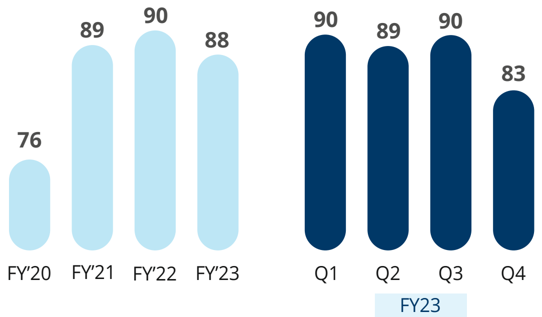
How will we measure it

- Customer NPS
- Turnaround times
- Opex to Assets

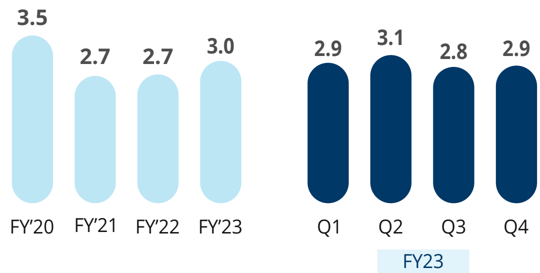
Customer NPS



Loans Approved within 48 hrs (in %)



Opex to Asset (in %)



1. 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.2. 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.

SCALE AND GROWTH

What we plan to do

Build a scalable housing finance business for the long term and become a respected player in the affordable housing finance market trusted by customers

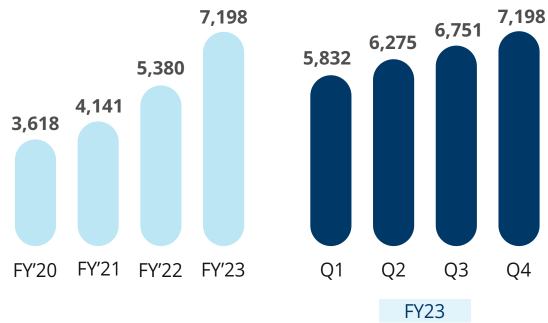
Building blocks and what is on our mind

- 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.

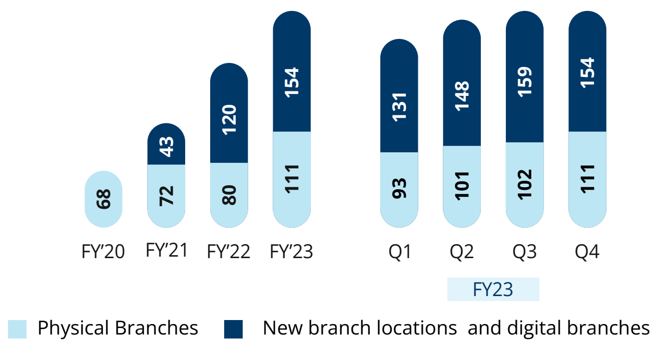
How will we measure it

- AUM growth
- Footprint

AUM Growth (in ₹ Crs)



Footprint



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.

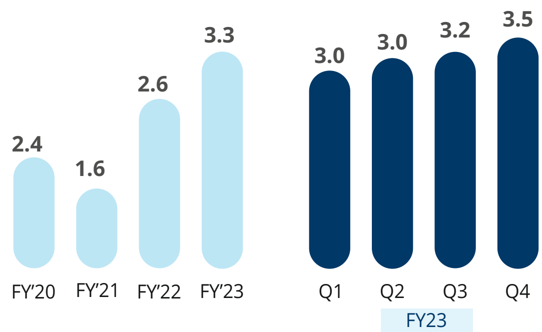
Building blocks and what is on our mind

- 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 focus on improving customer experience, connector management, business generation and collections.
- Optimize productivity at each branch / employee level by eliminating routine activities with active usage of technology.

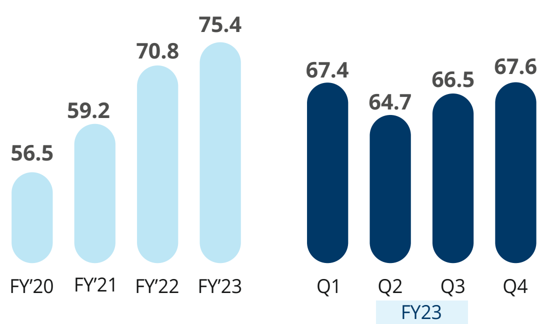
How will we measure it

- Disbursement / employee
- AUM/ branch
- Cost to Income

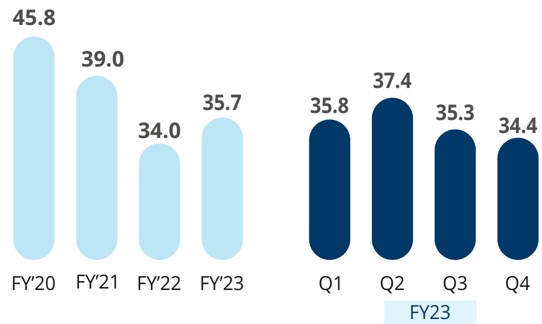
Disbursement / Employee (in ₹ Crs)



AUM / Branch (in ₹ Crs)



Cost to Income (in %)



FUNDING

What we plan to do

Diversify Sources of Borrowings and optimize Borrowing Costs

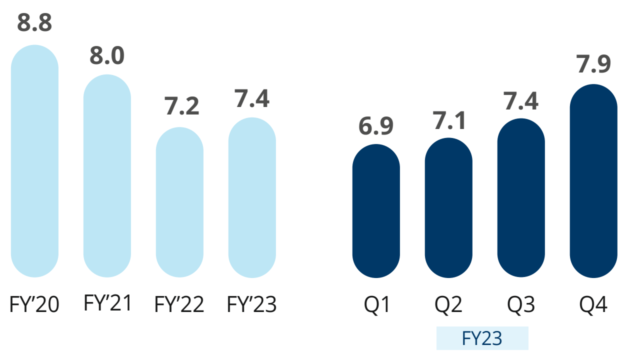
Building blocks and what is on our mind

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

How will we measure it

- Credit Rating
- Cost of Borrowing (COB)
- Asset Liability mismatch

Cost of Borrowing (in %)

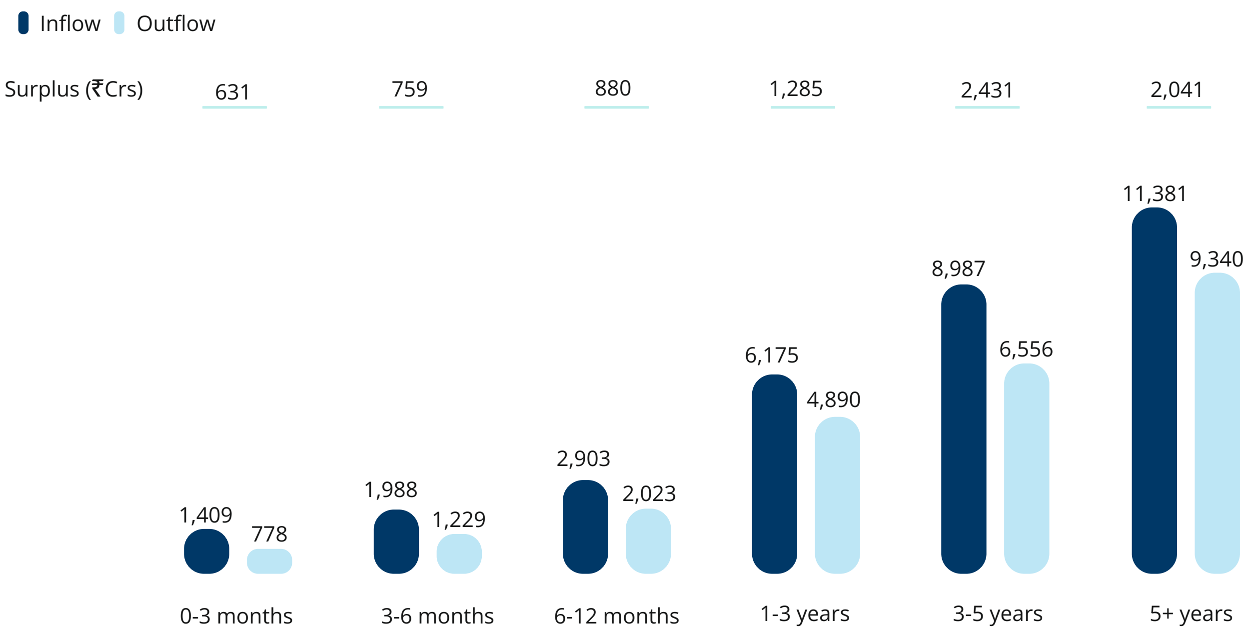


Rating Agency	Instrument	Credit Ratings FY21	Credit Ratings FY22	Credit Ratings FY23
CARE Ratings	Long-term Bank Facilities	A+ (stable)	A+ (stable)	AA- (stable)
ICRA Limited	Term Loans and NCD	A+ (stable)	A+ (positive)	AA- (stable)
	Commercial Paper Programme	A1+	A1+	A1+
India Ratings & Research	Commercial Paper Programme	A1+	A1+	A1+
	Term Loans and NCD	-	AA- (stable)	AA- (stable)

Diversified Lender Base

Lender	FY20	FY21	FY22	FY23	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Bi/Multilateral	-	-	-	-	-	-	-	-
Foreign Bank	-	-	1	3	2	2	2	3
Insurance	-	-	-	-	-	-	-	-
MF	-	-	1	-	1	1	-	-
NBFC	1	1	2	2	1	2	2	2
NHB	1	1	1	1	1	1	1	1
Public Sector Banks	5	6	6	6	7	6	6	6
Private Sector Banks	9	9	10	13	10	12	13	13
SFB	-	-	-	-	-	-	-	-
DFI	-	-	-	1	-	-	1	1
Grand Total	**16**	**17**	**21**	**26**	**22**	**24**	**25**	**26**

ALM Position - Cumulative



RISK MANAGEMENT

What we plan to do

Strengthen the Risk Management Framework

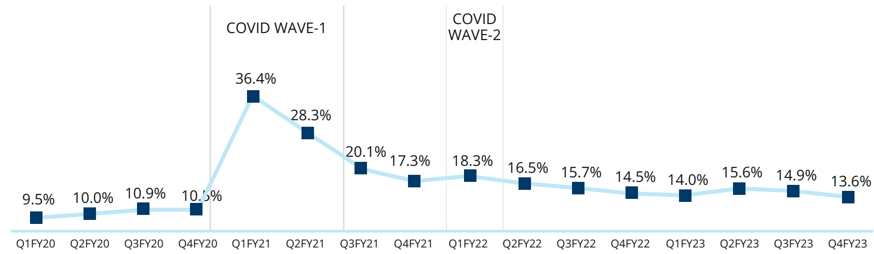
Building blocks and what is on our mind

- 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

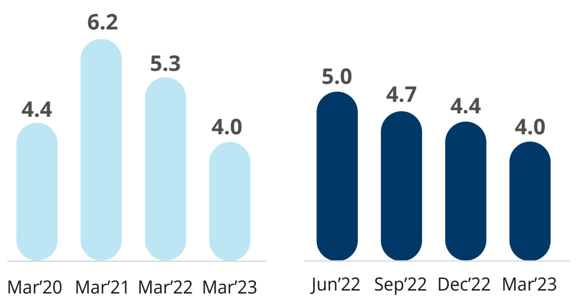
How will we measure it

- Bounce rates
- 1+, 30+ DPD
- 90+ DPD

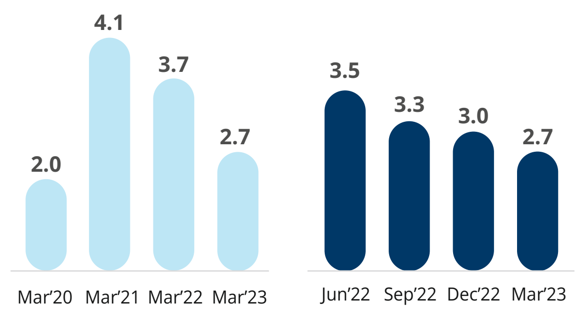
Bounce rates normalising



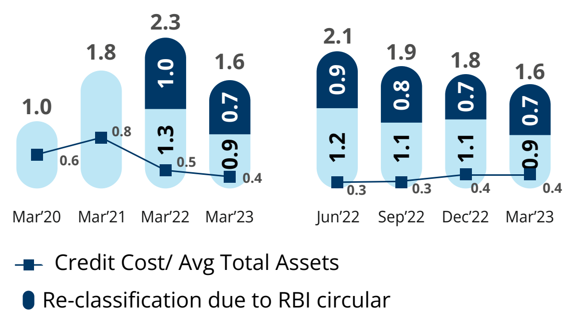
1+ DPD (in %)



30+ DPD (in %)



90+ DPD and Credit Cost / Avg Total Assets (in %)



What we plan to do

Strengthen our Environment, Social and Governance (ESG)

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

How will we measure it

- We get ESG assurance for our non-financial data. This is disclosed in our Integrated Annual Report.
- We have received ESG Rating from a Global organization - MorningStar Sustainalytics rated HomeFirst with ESG Risk Score of 16.2 categorising under "Low Risk." This is one of the best across Indian BFSI companies.

Board of Directors

Deepak Satwalekar

Chairman / Independent / Non-Executive Director

Mr. Deepak Satwalekar 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 D.C. He was the Managing Director of HDFC Ltd. (India's first specialized provider of housing finance and now the largest) till 2000, and thereafter the Managing Director and CEO of HDFC Life Insurance Company Limited till 2008, the first private sector life insurance company registered in India after 1956. Mr. Satwalekar has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT) He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. Mr. Satwalekar possesses a deep repository of knowledge and experience of approximately four decades in the financial services sector.

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 BTech 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 27 years of professional experience, he adds value to the Board in the areas of leadership, strategic thinking, 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 28 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

Narendra Ostawal

Independent / 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 23 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 20 years of experience in consumer finance, marketing and product management. At Home First, 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. In her current role she is working on building a new distribution channel through alliance partnerships and enhanced digital process flows. She also manages product development & value added services for existing customers across the life-cycle of their loans. In her previous role in the company she worked as Vice President – Credit & Risk , managing consumer credit and other operational risk parameters . She is a commerce graduate and a Chartered accountant and has over 20 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: Micro Housing Finance Corporation, Janalakshmi Financial Services, Citibank India.

Management Team

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 17 years of experience in human resources, rewards and recognition, compensation and benefits.

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

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 16 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 20 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).

Management Team

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 21 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, Citi Financial Consumer Finance India Limited, Net Ambit Value First Services Limited, Karvy Financial Services Limited and Small Business FinCredit India Private Limited.

Ashishkumar Darji
Chief Risk Officer

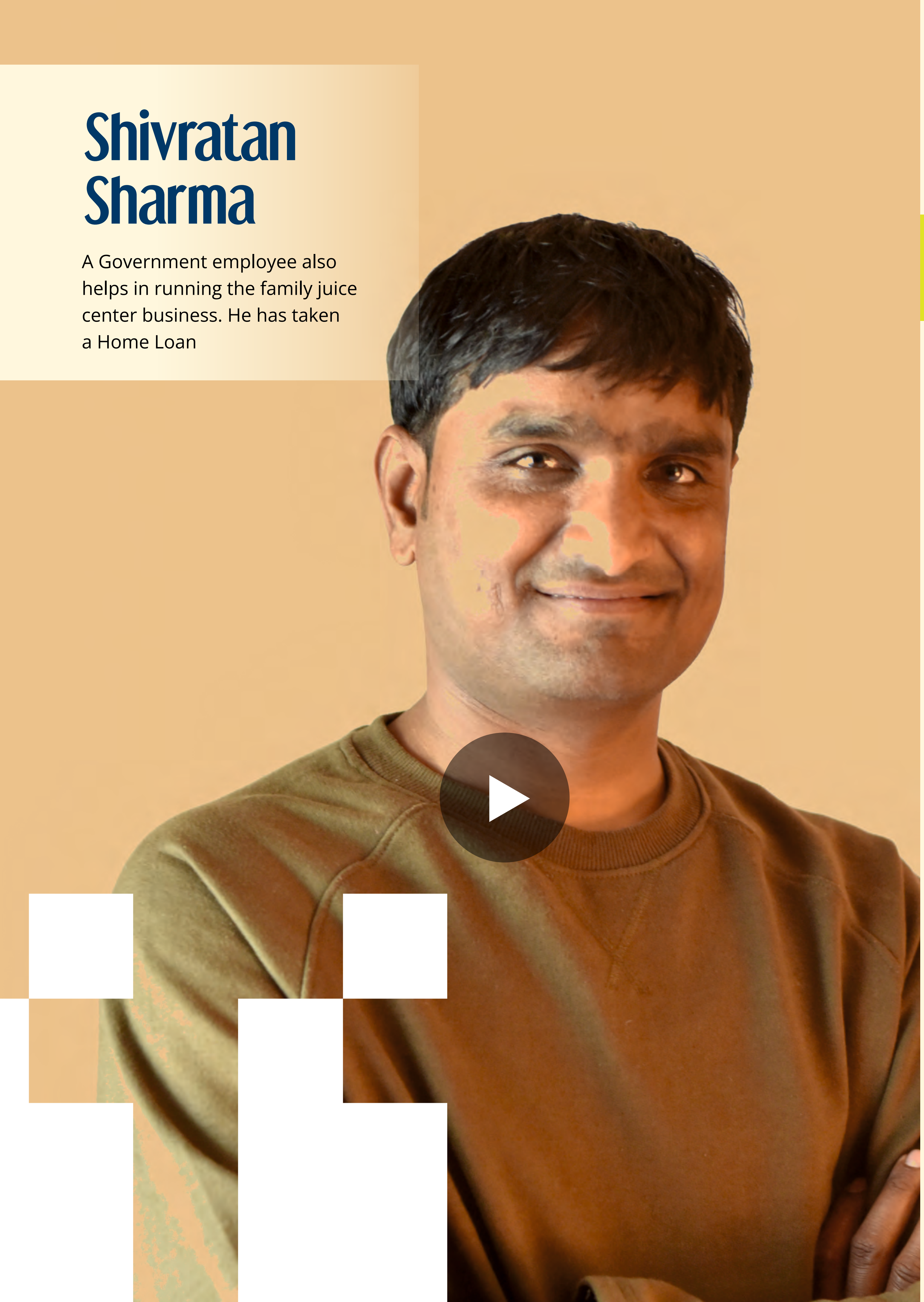
Ashishkumar Darji is the Chief Risk Officer of our Company. He is a Chartered Accountant and he has also completed his bachelor's degree in law and banking from the University of Mumbai. He is a risk management professional with an experience of 18 years in the Banking and Financial Services sector. 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 12 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.



Shivratan Sharma

A Government employee also helps in running the family juice center business. He has taken a Home Loan

Sustainability report

Snapshot

Financial Capital

₹**7,198** Crs
Gross Loan Assets (AUM)
+33.8% y-o-y

77,512
Active Customers
+25.7% y-o-y

₹**796** Crs
Total Income
(+ 33.6% y-o-y)

₹**317** Crs
PPOP
+26.0% y-o-y

3.0%
Opex/Avg Assets

₹**228** Crs
PAT
+31.1% y-o-y

49.4%
CRAR

3.9%
RoA
+30bps

13.5%
RoE
+170 bps

AA- Stable (ICRA)
AA- Stable (IndRA)
Credit Rating

Natural Capital

40,000+
Fruit trees distributed

50
Children treated against clubfoot disability

60
Children treated against Cleft Lip

5
Solar Pumps for Marginal Farmers

Installation of **Solar Panel** at Jeevandhara Vrushashram, managed by Manav Seva Kalyan Trust

Human Capital

3rd Time in a Row

993
No of employees

14,240
Total manhours training

24%
Women employees

52%
Women at head office

Social and Relationship Capital

90%
Of AUM have woman as a borrower

16%
Of AUM have woman Primary applicant

74%
of AUM having atleast 1 woman co-borrower

38,000+
CSR beneficiaries Impacted

Intellectual Capital

46%
Digitally agreements signing during the year

60%
E-Stamping during the year

65%
E-NACH mandates during the year

Overview by **MD & CEO**

Dear Stakeholders,

Global warming and sustainability are two of the most pressing issues of our time. The rise in global temperatures, caused by the emission of greenhouse gases from human activities, is leading to significant environmental changes, including melting ice caps, rising sea levels, and more frequent extreme weather events. To address this challenge, we need to transition to a sustainable society that balances economic growth, social equity, and environmental protection.

India's recent appointment as the chair of the G20 for the year 2023 is a significant milestone in the country's international relations and global economic leadership. The G20, comprising 19 of the world's largest economies and the European Union, plays a crucial role in shaping global economic policies and promoting international cooperation. As the chair of the G20, India will have the opportunity to showcase its economic and diplomatic prowess on the global stage as well as influence the agenda and priorities of the group for the broader goals of the G20 in promoting sustainable and inclusive economic growth.

In the fiscal year 2023, HomeFirst continued to strengthen their ESG efforts. We remain committed to promoting financial inclusion through affordable housing finance. During the year we disbursed loans worth ₹3,013 Crs for affordable housing that has enabled 20,000+ families in the Economically Weaker Section and Low-Income Groups to realize their dream to own a home. Over the course of our 12 year journey, we have enabled home-ownership for more than 100,000 such families. HomeFirst has been a major proponent of the PMAY-CLSS scheme that aims to provide subsidies to first time home owners from low-income groups. Our efforts in this area have resulted in channelling subsidies worth ₹966.7 Crs to 38,521 customers. The subsidy goes towards reducing the loan balances of these customers, in turn reducing their EMI burden by upto 25% for the remainder of the tenure of the loan.

> Dineshbhai migrated to Morbi 25 years ago from the outskirts of Surendarnagar. Works as a supervisor in a ceramic manufacturing factory. Have been living with his family in company-provided accommodation but the standard of living was below average. He applied for a ₹12 lakhs Loan at HomeFirst and was repaying an EMI of ₹13,634 with a loan tenure of 20 years. He has received a PMAY CLSS subsidy of ₹2,67,280. He is also making monthly pre-payments from the app. His new EMI is ₹9,888 and his loan tenure has been reduced to 10 years.

The Company has also received a certificate of Merit in PMAY empowering India Awards 2022 in recognition of its contribution to Affordable Housing development in the country.

This year, HomeFirst partnered with IFC to raise ₹ 280 Crs to fund affordable, self-built, green homes. IFC's advisory services will play a crucial role in developing the green housing framework and raise awareness around the usage of eco-friendly materials for home construction.

Our CSR projects focus on the socio-economic development of migrant workers. Through our flagship initiative - Project Sashakt we are doing work in the areas of skilling and employment, children's education, school development, healthcare, and financial literacy. Our initiatives are empowering migrant workers living in Narol (Ahmedabad) to generate more sustainable income. We have increased the impact of these projects through the launch of Phase II of Project Sashakt, which now benefits 1,700+ beneficiary families. We are also promoting sustainability in these communities by installing solar panels across schools, and hospitals in these areas.

Overview by **MD & CEO**

At HomeFirst, we take pride in our people and work culture, which have been recognized as Great Place to Work for three consecutive years. We have a young, diverse team who make the workplace more vibrant and their enthusiasm to adapt to new things helps us to stay ahead of the curve and deliver high productivity consistently. We prioritize training and development and have conducted around 14,240 manhours of training across functional and behavioral areas. HomeFirst's commitment to sustainability is reflected in our strong governance framework, digital initiatives, diversity, and financial inclusion efforts. We received an ESG Risk Rating of 16.2 which indicates low-risk and strong rating for ESG Risk Management from MorningStar Sustainalytics. We are proud to have one of the best ESG Risk Ratings for Indian BFSI companies.

₹3.16 Crs
utilized under CSR

Solar pumps installed to benefit marginal farmers

Sashakt science labs for STEM education launched in 6 schools.

will benefit
5,000+
students

Sashakt skilling center launched

600+
beneficiaries

Solar panels installed in schools and hospitals

Significant spending in Health initiatives

ESG Risk Rating

Amongst Leading Rating in BFSI Sector

16.2 ***Low Risk***

Strong Risk Management

In conclusion, our ESG initiatives that began in earnest in FY22 have gained momentum in FY23. Being a part of the housing eco system in India, we find ourselves uniquely well-placed to promote sustainable and responsible practices in the areas of housing as well as financing. We are determined to make the world a better place for our future generations.

How We **Create Value**

Inputs

Financial Capital
- Equity
- Assets
- Borrowings
- Diversified Lenders Base
- Cost of Funds

Natural Capital
- Green Initiatives
- Grid Electricity Consumed
- Building a green portfolio

Human Capital
- Employees
- Learning & Development
- Employee Engagement
- Young workforce

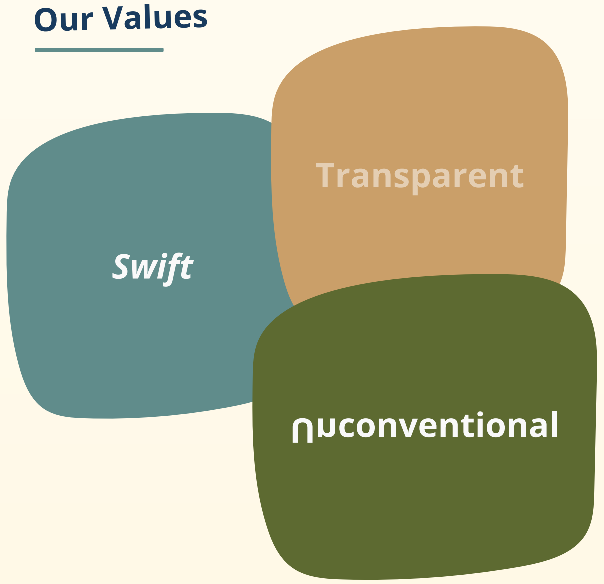
Social & Relationship Capital
- Livelihood Creation
- Financial Inclusion
- Customer Engagement
- CSR Initiatives
- Investors / Lenders / Rating Agencies Engagement
- Regulators

Intellectual Capital
- Digital Initiatives
- E-NACH, E-Sign, E-Vault
- Mobility Solutions
- Instant Soft Approval on App
- Biometric Authentication on Customer App
- Stable and scalable technology infrastructure
- Robust Cyber security Framework

Value Creation Approach

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

Our Values



Value Enablers
- Holistic Technology Usage
- Deep distribution in relevant markets
- Innovative and empowered Workforce
- Data Science Backed Underwriting
- Analytics driven electronic collections
- Diversified financing profile
- Centralised Operations
- Strong Ownership Culture
- Access to diversified funds

How We **Create Value**

Outputs

Financial Capital
33.8% AUM Growth
26.0 EPS
3.9% ROA
13.5% ROE

Natural Capital
40,000+ Trees Planted
16.2 ESG Risk Rating
GHG Scope **1** and Scope **2** Emissions

Human Capital
14,240 Manhours Training
26.50 years Median Age
24% Woman Employees
22% Females in Senior Management

Social & Relationship Capital
89% of Book with Ticket Size Below ₹25 Lakhs
68%+ EWS and LIG Loans
₹967 Crs CLSS Given Till FY23
38,000+ CSR Beneficiaries
82 NPS Score

Intellectual Capital
4.2 Customer App Rating
93% Customers Registered on App
89% Service Request Raised on App
46% Digitally Signed Agreements
60% E-stamping

Outcomes

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

Employees
- Inclusive, Diverse and Safe Working Environment
- Motivated Employees
- Equal Opportunity employer

Regulators & Government
- Strong Governance Framework
- ESG Compliant
- Compliance

Society
- Enhanced community development

Investors And Shareholders
- Long term stakeholder relationship
- Strong Brand Value
- Return on Equity
- Sustainable Business & growth

SDGs

Ethics & Governance

HomeFirst is committed to ensuring ethical business practices and transparency in the conduct of its operations. To uphold the highest standards of integrity, we have implemented the following measures and policies:

Code of Conduct

This extensive document sets out the standards by which HomeFirst conducts business and acts as a moral compass for its employees. The HomeFirst Code of Conduct is a collection of guidelines that direct and regulate how HomeFirst and its employees conduct themselves in all business-related situations. This is hosted on our website.

Code of Conduct for Suppliers and Vendors

Through this code of conduct, we try to engage with our suppliers and vendors to comply with applicable laws, maintain the confidentiality of data, be environmentally responsible and commit to providing a fair and ethical workplace that recognizes diversity, equity and inclusion.

Vigil Mechanism and Whistle-blower Policy

We have a whistleblower policy in place that enables employees and stakeholders to report any unethical or illegal behaviour without fear of retaliation. Whistle Blower policies in 6 local languages (Tamil, Telugu, Marathi, Hindi, Gujarat, Kannada) are made available to employees on the employee app). Also, the Whistleblower policies in local languages are uploaded on the website.

Anti-bribery and anti-corruption policy

The goal of this policy is to outline the duties of the Company and those acting on its behalf with regard to adhering to and upholding the Company's position on bribery and corruption. It also outlines the Company's policy with regard to the prevention and identification of bribery and corruption, as well as the procedures to be followed, if any fraud is discovered or there is any suspicion that it may exist.

Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

This policy provides for protection against sexual harassment at the workplace, for the prevention and redressal of complaints of sexual harassment and to enforce strong disciplinary action in the event of any such incident.

Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Fair Practice Code

The code defines the standards while dealing/ building relationships with prospective/ existing customers and has been framed and amended by the Reserve Bank of India (RBI) to follow the best corporate practice within the sector.

Know Your Customer (KYC) and Anti-Money Laundering Measures Policy

This policy is adopted to evaluate the customers more prudently to avoid the misappropriation of funds.

Internal Guidelines on Corporate Governance:

The objective of this policy is to ensure compliance with legal requirements and set standards for Corporate Governance so that concerned officers act in accordance with the highest standards of governance while working for and on behalf of the Company.

Code of Conduct for Board of Directors and Senior Management Personnel

This Code's objectives are to ensure the highest quality of disclosures, discretion and fairness in business dealings, sound corporate governance principles, efficient use of the company's resources, and the elimination of any conflicts of interest.

Ethics & Governance

Independence of Risk Management

The Chief Risk Officer is an independent person who is responsible for overlooking the risk management practices of the company and is independent of the business operations. This helps him get an objective outlook on the operations of the company.

HomeFirst has been a proponent of using technology to drive efficient processes with lowest carbon footprint, have high degree of ownership across its employees led by a professional board and management team with top notch governance standards. In this relentless journey of becoming a trusted and respected institution, we have also definde some key policies which bring out consistency in application as we scale.

Some of them are:

- Environmental Social and Governance Policy
- Diversity Inclusion Policy
- CSR Policy
- Learning Policy
- Equal Opportunity Policy
- Health and Safety Policy
- Fair Advertising Policy
- Environment Management Policy

Timely training is conducted to spread awareness about these policies. Gamification modules for spreading awareness about POSH Policy, Cybersecurity, Code of Conduct Training.

Ethics & Governance

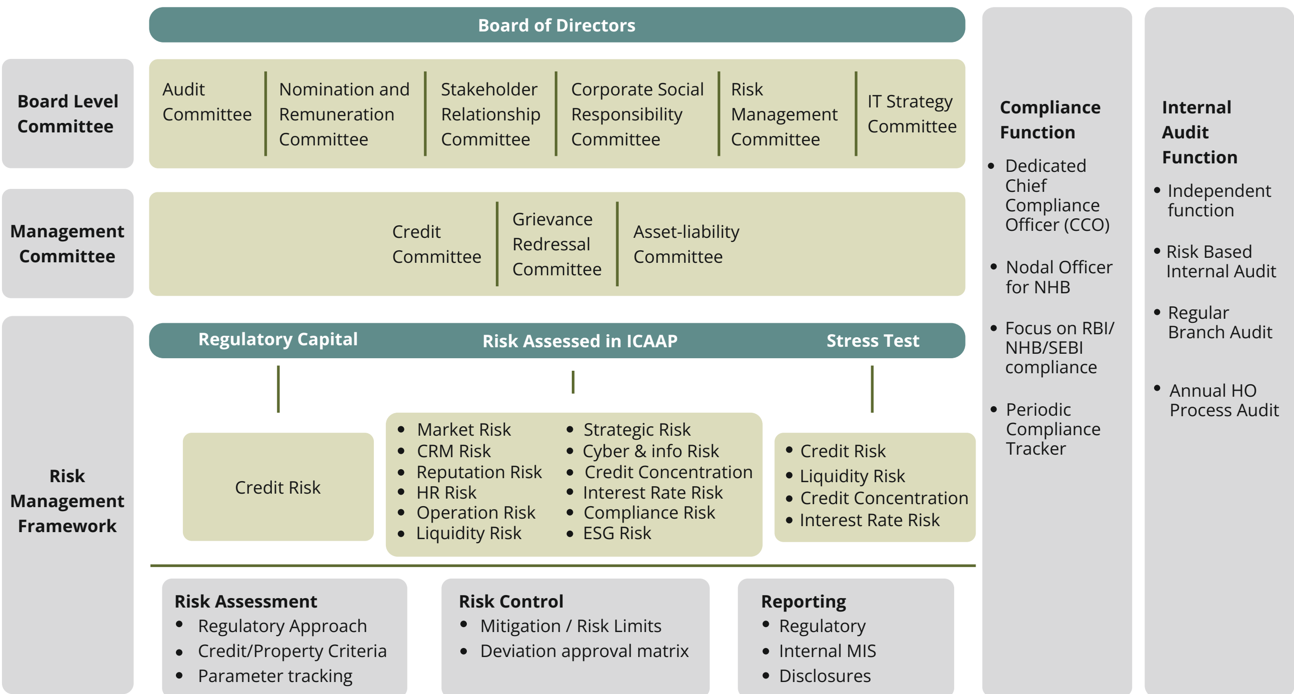
Robust Governance Framework

Coupled with strong ethical practices, HomeFirst has a robust governance framework.

Strong governance ensures that the company is operating in compliance with all relevant laws and regulations, minimizing the risk of legal and regulatory penalties. It ensures that the company is managed effectively, with clear lines of authority and accountability, and that decision-making is transparent and fair. This, in turn, helps to build trust and confidence among customers, investors, and other stakeholders, which is crucial for the long-term success of the company. Finally, strong governance enables the company to identify and manage risks effectively, ensuring that it is able to navigate any challenges that arise and capitalize on opportunities for growth and expansion - thereby ensuring the stability, sustainability, and success of the company.

Transparency, accountability and integrity form the root of a strong governance framework. Our value system is based on these core values. Our governance processes are designed to go beyond compliance and adopt the best practices. The Board of Directors are at the helm of decision-making and exercises good control while the management team supports the board with the execution. The Board and the Board Committees, institute policies as well as frameworks and helps monitor them periodically. We believe in being transparent in our operations and make timely disclosures in accordance with the Indian Accounting Standards (Ind AS), Security and Exchanges Board of India (SEBI), Reserve Bank of India (RBI), National Housing Bank (NHB), National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

CORPORATE GOVERNANCE STRUCTURE



Ethics & Governance

Codes and Policies to Support Sustainability Governance

In an attempt to strengthen its governance mechanism, HomeFirst has in place a number of frameworks and policies, some of which are:

- Code of Conduct for Board of Directors and Senior Management Personnel
- Code of practices and procedures for fair disclosure of UPSI
- Fair Practice Code
- Fit and Proper Policy
- Internal Guidelines on Corporate Governance
- KYC-AML Policy
- Vigil Mechanism and Whistle Blower Policy
- Environmental Social and Governance Policy
- Equal Opportunity Policy
- Diversity Inclusion Policy
- Policy for enquiry for leak of UPSI
- Health and Safety Policy
- CSR Policy
- Human Rights Policy
- POSH Policy
- Related Party Transactions Policy
- Policy to promote Diversity of BOD
- Anti-bribery and Anti-corruption policy
- Fair Advertising Policy
- Learning Policy
- Environment Management Policy

Ethics & Governance

Board Composition

HomeFirst Finance Company India Limited has a diverse and experienced Board of Directors that is responsible for overseeing the company's strategic direction, risk management, and overall governance. The Board is composed of 8 members, including 4 independent directors, 3 nominee directors and 1 executive director (Managing Director and CEO).

The independent directors bring a wealth of experience and expertise to the Board, with backgrounds in technology, operations, finance, law, and management. They play a critical role in ensuring that the company is managed in the best interests of all stakeholders and that the highest standards of corporate governance are maintained.

The Managing Director and CEO is responsible for the day-to-day operations of the company and provides valuable insights into the company's operations and strategic direction. He is also responsible for ensuring that the company's activities are aligned with its overall mission and values.

Overall, the composition of the company's Board of Directors reflects the company's commitment to strong governance and responsible management, and it ensures that the company is well-positioned to navigate the challenges and opportunities of the affordable housing finance industry in India.

The table below gives the detailed composition of the Board as of Mar'23:

Name	DIN	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. Divya Sehgal	01775308	Nominee Director
Mr. Maninder Singh Juneja	02680016	Nominee Director
Mr. Narendra Ostawal	06530414	Nominee Director
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:

Age	Female	Male	Total
Under 30 years	-	-	-
30-50 years	2	2	4
> 50 years	-	4	4
Total	**2**	**6**	**8**

25% Women Directors

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.

The terms and conditions of appointment of Independent Directors are available at Terms and Condition for appointment of Independent Director.

Ethics & Governance

Board Evaluation

The Board of Directors plays a crucial role in the company's success, and the Board Evaluation process is an important tool for ensuring that the Board is functioning effectively and fulfilling its responsibilities.

The Board Evaluation process is conducted annually and is overseen by the Nomination and Remuneration Committee of the Board. The evaluation process is designed to assess the performance of the Board as a whole, as well as the performance of individual directors, and to identify areas for improvement. The evaluation assesses the effectiveness of the Board in areas such as strategy, risk management, governance, and financial performance, as well as the performance of individual directors. The results of the evaluation are shared with the Board, and any areas for improvement are identified and addressed. This feedback helps to ensure that the Board is functioning effectively and that the company is being managed in the best interests of all stakeholders.

Board Committees

To facilitate timely and well evaluated outcomes, Board Committees have been set up and entrusted with different responsibilities. The decisions taken by these Board Committees are communicated to the Board in the subsequent meetings. The various Board Committees are

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- IT Strategy Committee

Additionally, there are Management Committees dedicated towards specific purposes - such as

- Asset Liability Management Committee (ALCO)
- Grievance Redressal Committee

Further details regarding the objective, role and composition of the Board Meetings along with meetings held during the year detailed in the Report of the Directors on Corporate Governance on page no 143.

HomeFirst understands the importance of conducting operations in a sustainable manner and has a dedicated internal team committed towards the implementation of ESG-related activities.

The ESG Execution Team is led by management team members along with the team. A monthly ESG dashboard is reported to the management team to track the progress of ESG-related initiatives. Quarterly updates of ESG plans and status updates are done in the Board Meeting. The ESG policy is also reviewed annually for any changes if required.

To further the seriousness and commitment towards ESG goals, the Company has adopted policies such as Fair advertising, Learning policy, Diversity and Inclusion policy, Human Rights Policy and Environment Management Policy.

Grievance Redressal Mechanism

Lastly, a strong governance framework is not possible without a strong grievance redressal mechanism.

For Employees:

We also have an employee grievance redressal mechanism in place. 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 the complaint/ grievance/ issue.

Employees can raise complaints 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.

Ethics & Governance

For Customers:

To ensure we provide the best customer service and address any concerns of the customer - 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 mechanisms and to ensure prompt redressal and review of customer grievances. The process is uploaded on our website for a wider audience.

For Complaints and Grievances, you can contact as per the stages below

a. Level - 1

You can contact the nearest physical branch OR alternatively can call at 180030008425 OR write to us at loanfirst@homefirstindia.com for any queries /complaints. Our Branch Manager or Customer Service Team would resolve it within 7 working days from the date of receipt of the complaint.

b. Level - 2

In case we have not met your expectations at Level 1, you can escalate it to the Central Customer Service Team at the following email Id and we would ensure your issue/concern is resolved within 15 working days from the date of escalation or your issue.
Email id – query@homefirstindia.com.

c. Level - 3

In unlikely scenario where you are not satisfied with resolution provided to you at Level-2, you can escalate the complaint to our Grievance Redressal Officer who would ensure that your issue is resolved to your satisfaction within 30 working days of receipt of the complaint in the Corporate Office.

You can connect us at the below mentioned address and email id:

Mr. Gaurav Mohta (Grievance Redressal Officer)
Home First Finance Company India Limited
511, Acme Plaza, Andheri Kurla Road, Andheri (East)
Mumbai – 400 059
Phone: 8880549911
Email: complaints@homefirstindia.com

Alternative Remedy:

In case you are still unsatisfied with the resolution provided at Level-3 by our Grievance Redressal Team, pls feel free to approach the National Housing Bank (NHB) via the following modes:

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

Offline mode: Alternatively write to the National Housing Bank in a prescribed format available at https://nhb.org.in/en/complaint-cell-against-hfcs and 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

The complaints can also be mailed at crcell@nhb.org.in

For Investors:

We have an internally adopted Investor Grievance Policy. The investors/ shareholders can mail to the 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

Ethics & Governance

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 Security And Privacy

HomeFirst is a tech-driven affordable housing finance company. During credit evaluation, more than 100+ data points of a customer are collected. Hence data security and privacy become critical components of our operations. We understand that our customers trust us with their data and as a responsible company, it is our responsibility to safeguard the data from unauthorized access, use or disclosure. In this chapter, we discuss the measures established at the organization to ensure data security and privacy.

Data Security Measures

We have implemented robust data security measures to protect our customers' data from unauthorized access, use, or disclosure. Some of the measures we have taken include:

Access Controls

We restrict access to sensitive data only to authorized personnel. We have implemented a role-based access control system that ensures that only those who require access to customer data for their job functions have access to it.

Encryption

We encrypt all sensitive data, including customer personal and financial information, during transmission and storage. We use industry-standard encryption algorithms to ensure that the data remains secure. 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 attacks (Distributed Denial of Service Attacks) and to ensure that the privileged users have access to these APIs. Further, we have multifactor enabled and also Salesforce follows the best security standards. Salesforce is ISO 27001 certified. Salesforce is the CRM platform used by us.

Firewalls and Intrusion Detection Systems

We have implemented firewalls and intrusion detection systems to protect our network from unauthorized access. These systems help us detect and prevent unauthorized access attempts.

Regular System Audits

We conduct regular audits of our systems to ensure that they are secure and that there are no vulnerabilities that could be exploited by malicious actors. We conduct IT Audits once every 2 years. We also conduct an internal vulnerability assessment of all apps of the Company. All our applications have gone through VAPT (Vulnerability Assessment and Penetration Testing) and we have received the requisite certification for the same.

IT Policy

We have a robust IT infrastructure to support our performance. We also have a detailed IT policy which details the processes and controls with respect to the IT system. The policy is amended from time to time in order to be compliant with the guidelines of NHB as well as other regulatory bodies.

Employee Training and Awareness

We train our employees on our IT policies, procedures and cyber-security. In addition to the training, we conduct awareness regarding data protection, security and privacy. Time to time emails are sent to the employees to make them aware of malpractices prevalent in the digital world and to avoid falling prey to phishing attacks.

Data Privacy Measures

We are committed to protecting our customers' privacy and ensuring their personal information is not used or disclosed inappropriately. Some of the measures we have taken to protect our customers' privacy include:

Fortifying Data Security And Privacy

Data Privacy Policy

We have a comprehensive data privacy policy that outlines the measures we have taken to protect our customers' privacy. The policy is communicated to all our employees and is hosted on our website.

Consent

We obtain explicit consent from our customers before collecting, using, or disclosing their personal information. We also inform our customers of the purposes for which their data will be used. Through our HomeFirst Customer App, we equip our customers to carry out a number of transactions such as accessing their loan statements and raising queries besides making payments. The application empowers the customer to access his personal information in strict privacy settings.

Data Retention

We retain customer data only for as long as it is necessary to fulfil the purposes for which it was collected.

Third-Party Vendors

We ensure that our third-party vendors who handle customer data adhere to the same data privacy standards that we follow. We have contracts in place that require our vendors to implement data security and privacy measures. Data is shared with third parties only on a need-to-know basis subject to confidentiality obligations vide exhaustive service agreements executed for the arrangement.

Data Request Management

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. To comply with this, we presently provide monthly information on our loans and EMI payments to TransUnion CIBIL, Equifax Credit Information Services Pvt. Ltd., CRIF High Mark Credit Information Services, and Experian Credit Information Company of India Ltd. Information with respect to security interests created on any asset or property is registered with CERSAI. Apart from this customer data is also disclosed for various compliance purposes such as statutory audits, internal audits and investor disclosures.

Data Breach Response Plan

Despite our best efforts, data breaches can occur. We have a data breach response plan in place that outlines the steps we will take in the event of a data breach. Some of the steps we will take include:

Containment

We will immediately contain the breach to prevent further data loss.

Notification

We will notify the appropriate authorities and our customers as soon as possible.

Investigation

We will conduct a thorough investigation of the breach to determine its scope and impact.

Remediation

We will take appropriate measures to remediate the breach and prevent it from happening again.

Business Continuity Plan

HomeFirst has board-approved policies on Business Continuity Plan and Disaster Recovery Plan. Both the risk management framework and its BCP Policy involve business effect assessments. With periodic reports, the IT Strategy Committee and the Board maintain oversight of how BCP is operating. We conduct BCP testing annually by selecting hypothetical scenarios to invoke the BCP Plan and check the effectiveness of the BCP/disaster recovery plans.

Stakeholder Engagement

The company's overall success and growth is a result of its relationship with its stakeholders. HomeFirst understands and identifies the importance of the role of varied stakeholders and invests in developing a strong and lasting relationship. These relationships are built on mutual trust and the ability to deliver. Our key stakeholders include Customers, employees, Shareholders/investors, Regulators, Lenders and Credit Rating Agencies, Communities & NGOs, Research Analysts,Channel Partners and key partners as well as Auditors.

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	• To understand customer needs, provide suitable loan products, and provide timely assistance and support - thereby providing top quality customer service
Employees	• Email communications • Physical/virtual meetings • Appraisal Process • Online Surveys • Employee Engagement Initiatives • Training and development sessions • Wellness and counselling sessions • Employee Welfare Schemes	Ongoing	• To provide training and development opportunities, assess performance, and ensure a positive work environment.
Shareholders / Investors	• Quarterly reports, integrated reports and press releases • Investor meets and Annual General Meetings (AGMs), including virtual investor meets and virtual AGMs • Email, SMS, newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/conferences	Ongoing	• To stay abreast of developments in the Company • To provide updates on financial performance, discuss strategic initiatives, and receive feedback and input from shareholders • To ensure compliance with all relevant laws and regulations.
Regulators, Lenders and Credit Rating Agencies	• Email, one-on-one meetings, concalls, video- conference, mandatory filings with regulators	Ongoing	• To ensure compliance with regulations and guidelines, obtain necessary approvals, and maintain good relationships with regulators. • To provide lenders with accurate and timely information about the company's financial performance, operations, and risk profile.

Stakeholder Engagement

Stakeholder Group	Modes of Engagement	Frequency	Purpose and Scope
Communities & NGOs	• Project Assessment reviews • Joint assessment of projects • Community welfare programs • Implementation of CSR Initiatives	Ongoing	• To contribute to the community, promote social responsibility, and maintain a positive reputation
Research Analysts	• One-on-one meetings, concalls and video-conferences	Ongoing	• To provide research analysts with accurate and timely information about the company's financial performance, operations, and strategic initiatives.
Channel Partners & Key Partners	• Regular meetings/ mails/ phone calls	Ongoing	• To collaborate with strategic alliance partners to leverage their expertise, capabilities, and resources to achieve shared objectives.
Auditors	• Through regular audits of the financial statements and other regulatory compliance requirements.	As per regulatory requirements and the company's internal audit schedule.	• To provide an independent assessment of the company's financial statements, identify areas of risk, and ensure compliance with applicable laws and regulations. The auditors also provide recommendations for improving financial management practices and internal controls.

Materiality Assessment

Materiality assessment is essential to identify and prioritize sustainability risks and opportunities. It helps the company understand which environmental, social, and governance (ESG) issues which are most relevant to the business and stakeholders, and how to integrate these issues into decision-making processes. By conducting materiality assessment, we identified areas where we can improve our sustainability performance, reduce risks, and create value for our stakeholders.

The following steps were taken as part of the exercise:

- Identifying key ESG risks relevant to the Home First's operations
- Evaluating the impact of ESG risks

Materiality Assessment

Following is the list of material topics and the capitals impacted by them:

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 applicable 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

Financial capital is the lifeblood of a balance sheet business such as a housing finance company. For HomeFirst, it becomes all the more crucial since financial capital forms the foundation for onward lending to our customers. The major inputs that comprise financial capital for a Housing Finance Company are Equity, Borrowings and Assets. Our recent achievement of crossing milestone of ₹7,000+ Crs of Assets Under Management is a testament to our ability to managing these inputs, and achieving our objectives of growth, profitability, as well as customer satisfaction. Our strong financial capital has resulted in superior profitability and sustainable growth.

Particulars	FY20	FY21	FY22	FY23
AUM (in ₹ Crs)	3618	4141	5308	7198
NIM	5.1%	4.7%	5.4%	6.4%
ROA	2.7%	2.5%	3.6%^	3.9%
ROE	10.9%	8.7%	11.8%#	13.5%
Opex to Asset	3.5%	2.7%	2.7%	3.0%
GNPA	1.0%	1.8%	2.3%^^	1.6%^^
NNPA	0.8%	1.2%	1.8%^^	1.1%^^

^Adjusted RoA at 3.6% computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment
 # Adjusted RoE at 11.8% computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment
^^ Our Gross Stage 3 (GNPA) as at Mar'23 stands at 1.6% in line with RBI circular dated 12 Nov 2021 (Mar'22: 2.3%). Prior to such classification, it stands at 0.9% (Mar'22: 1.3%). Our Net Stage 3 (NNPA) as at Mar'23 stands at 1.1% in line with RBI circular dated 12 Nov 2021. (Mar'22: 1.8%) Prior to such classification, it stands at 0.5% (Mar'22: 0.9%).

Profitability

The company has successfully delivered in all areas - such as return on equity, return on assets as well as managed to optimise the cost of operations along with the cost of borrowings. Our net profit improved by 31% y-o-y, while our cost-to-income ratio has remained range bound at 35.7% (from 34.0% the year before).

Diversified Funding

During the year, the company raised ₹3,618 Crs across diversified sources of funding. The borrowings mix been consistent over the years reflecting the high quality of our balance sheet. We ended the year with 26 lending relationships. During the year we added 5 new banks i.e. Qatar National Bank, J&K Bank, Karnataka Bank, Yes Bank and Shinhan Bank (Seoul based South Korean Bank).

Despite a tumultuous interest rate environment, we managed to close the year with a COB of 7.4% - showcasing that HomeFirst has been successful in building a strong liability franchise.

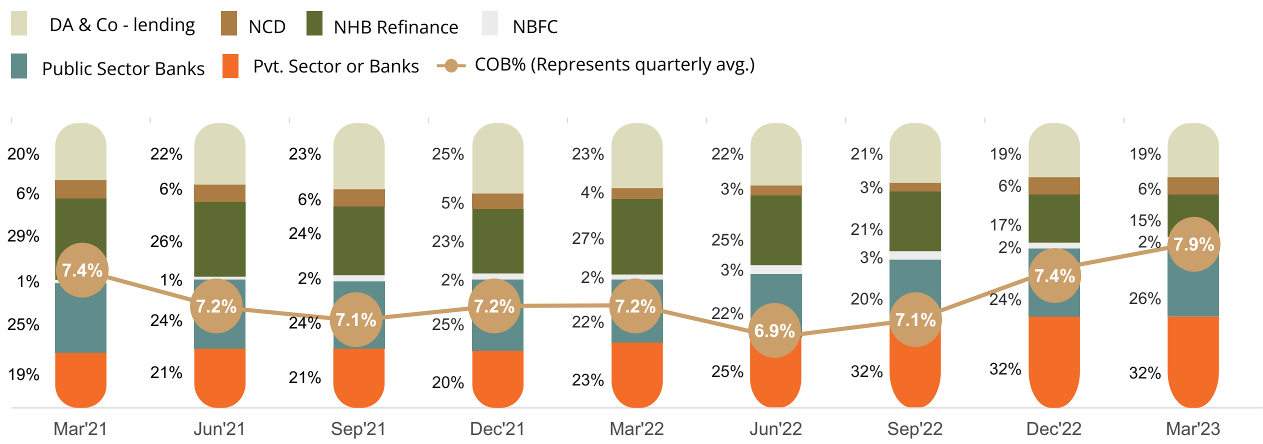
We were also successful in raising ₹280 Crs from IFC - a reputed multi-lateral agency and a member of the prestigious World Bank Group. The funds were raised in the form of INR denominated, senior secured, rated, unlisted, redeemable Non-Convertible Debentures with a tenor of up to seven years. The proceeds will be utilized to provide financing for retail buyers of affordable housing and green affordable housing units, encouraging homeownership for low-income segments, and supporting the development of green affordable housing.

During the year, U.S. International Development Finance Corporation (DFC) approved a $75 million loan to HomeFirst, to support affordable housing mortgage loans to women low-income borrowers.

Financial Capital

During the fiscal year, we entered into co-lending tie-ups with the "Central Bank of India" apart from our previous tie-up with "Union Bank of India". Our Borrowings Strategy rests on a prudent ALM with inflows higher than outflows across all tenure buckets. Given that we have a long term underlying asset, we do not borrow any Commercial Papers or short-term funds.

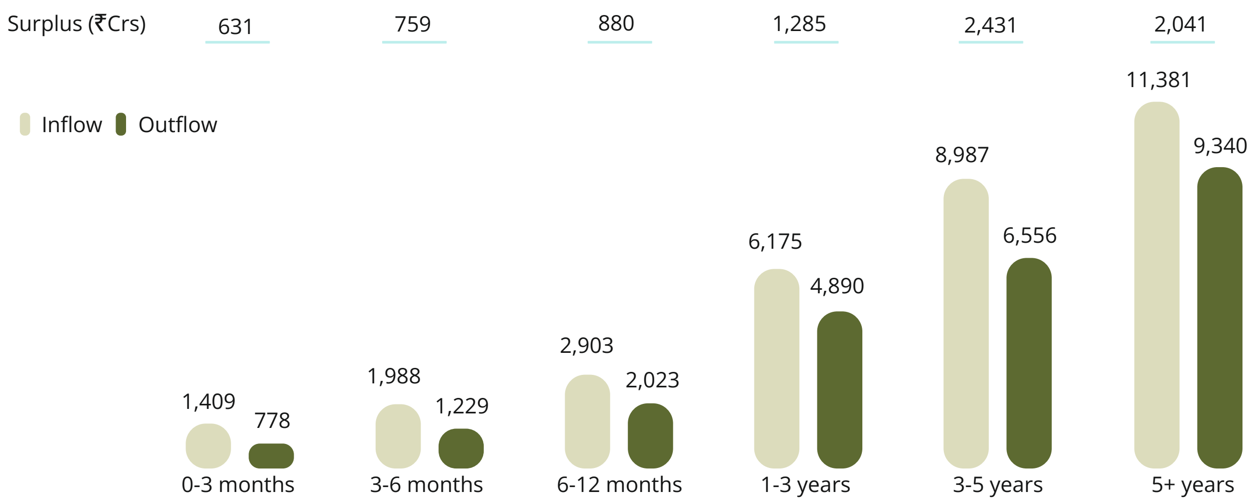
Borrowings Mix and Cost of Borrowing Trend



Robust ALM

We also have cumulative positive ALM gaps in all buckets. ALM framework is monitored in tandem with Company's business strategy and risk management. Further LCR requirements were duly adhered to. As at Mar'23, the company held a liquidity buffer of ₹1,802 Crs comprising of unencumbered cash and cash equivalent of ₹537 Crs and ₹665 Crs of un-availed sanctions from the banks and ₹600 Crs of un-availed sanctions from NHB.

ALM Position - Cumulative



Financial Capital

Performance of Our Book

Our prudent credit underwriting, strong collections strategy and robust risk management has resulted in a splendid performance of our assets and improvement in the NPA % during the year. Our Gross Stage 3 (GNPA) stands at 1.6% in line with the RBI circular dated 12 Nov 2021. (Mar'22: 2.3%). Our delinquency buckets have reached pre-covid levels.

Provisions

Our ECL provision stood at 1.0% of the total POS as at Mar'23. We continue to be conservative with the provisions. Our Provision Coverage ratio stood at 59.5% (compared to 47.1% Mar'22). Prior to NPA reclassification as per RBI circular, PCR stood at 104.8% vs 83.6% as of Mar'22.

Credit Rating

Our focus on profitability, continued improvement in asset quality coupled with a strong balance sheet and funding have helped us in improving our credit rating from A+ Positive outlook to AA- with Stable Outlook by both ICRA as well as CARE. Our continued efforts will help us further improve our ratings in the future and we believe it'll help us raise funds at lower costs.

	FY21		FY22		FY23	
Rating Agency	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
ICRA	ICRA A1+	ICRA A+ *Stable Outlook*	ICRA A1+	ICRA A+ *Positive Outlook*	ICRA A1+	ICRA AA - *Stable Outlook*
CARE	NA	CARE A+ *Positive Outlook*	NA	CARE A+ *Positive Outlook*	NA	CARE AA - *Stable Outlook*
India Ratings	IND A1+	NA	IND A1+	IND AA- *Stable Outlook*	IND A1+	IND AA - *Stable Outlook*

Natural Capital

The affordable housing industry has been growing steadily for quite some time now but post-COVID it has witnessed remarkable growth. Even though we are going through a high-interest rate cycle, ground-level demand has been strong and often better than we all expected. All the recent studies and industry reports share a similar optimistic view. While this forecast is encouraging, the pressing global concern of climate change casts a shadow on our future. According to the International Energy Agency, buildings contribute nearly 40% of global energy-related carbon dioxide (CO_2) emissions, primarily from residential structures. Recognizing the urgency, the Government of India has prioritized green growth in the Budget 2023, targeting the attainment of net-zero carbon emissions by 2070. As the second-largest employment generator, the real estate industry will play a significant role in realizing these ambitious goals. HomeFirst, being a leading housing finance company in India, will focus its energies on self-built affordable home space to promote eco-friendly construction and provide access to financial support and guidance to first-time home buyers and unorganized developers.

To create some real impact, we have started our journey towards turning individual homes into green homes!

Building more eco-friendly homes is crucial for several reasons, particularly in the context of Indian affordable housing. First and foremost, eco-friendly homes help reduce the strain on the environment by minimizing energy consumption, conserving water resources, and decreasing greenhouse gas emissions. With India's rapidly growing population and increasing urbanization, the demand for affordable housing is soaring. By incorporating sustainable practices and utilizing renewable energy sources, eco-friendly homes not only contribute to the preservation of the environment but also help lower energy costs for homeowners, making housing more affordable in the long run.

However, while the demand for green homes is gathering pace, there is still a general lack of awareness and expertise about the concept among the builders and local contractors. This often leads to the affordable housing segment regarding green homes as a luxury they can't afford to indulge in. However, in reality, over a period of time green construction might actually work out to be more cost-effective than regular home construction.

Initiating Project Green Homes last year, we had conducted initial primary research by surveying homes in our portfolio. Furthermore, we also developed a Green Calculator to showcase the cost benefit of green homes to end users. Contemporary green rating mechanisms are focused towards apartment complexes and gated societies. This misses out on a major chunk of India's population that resides in tier 2 and 3 cities, where individual homes are a norm. In order to understand the challenges and feasibility of building green, affordable, individual homes, we surveyed 500+ homes. Using our learnings from this, we have helped in creating the framework of green measures for self-build homes with the authorities like IFC and GRIHA to bring a new wave of green homes in India.

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

Natural Capital

IFC Project

International Finance Corporation (IFC) is a member of the World Bank Group and the largest global development institution focused on the private sector in developing countries. HomeFirst has partnered with IFC to take our Green Project to the next level. IFC has extended a line of credit to HomeFirst worth ₹ 280 crores to be utilised towards Affordable Housing (AFH) retail buyers and developing the green portfolio. In collaboration with IFC - FIG advisory, we are creating a complete green housing framework for evaluation and certification process. As a part of the initial steps for the same, IFC - FIG advisory has been instrumental in training our teams and they are helping us in conducting green audits across markets to eventually evaluate and finalise Green Certification parameters. Once the framework is complete, we can drive further awareness and promotions around Green Housing with a green subsidy of 2.4% on home loan amounts provided to green certified customers.

Other Green Initiatives:

In order to promote the use of green energy, ensure regular power supply and cut down on the utility bills we have also installed Solar panels at 4 schools in Narol, Ahmedabad and at a hospital run by Shree Manav Sewa Sangh Senior Citizens Home.

Continuing our contributions towards a green and cleaner environment, this year HomeFirst provided 40,000+ fruit tree saplings to the marginal farmers in a effort to help them in developing an extra source of income. We have provided 5 solar pumps in Palghar District along with a drip irrigation facility to another set of farmers. Currently, they are dependent on a single crop but with our initiative they will be able to multicrop.

Natural Capital

Carbon Emissions:

During the year, we have set up systems to understand our GHG Scope 1 and Scope 2 emissions. We have tracked our electricity consumption for the current fiscal. For the purpose of Scope 1 emissions, we have considered only HVAC refrigerant gas refills since the company does not have any diesel generator sets nor does it have any company owned vehicles. For Scope 2 emissions, we have considered our energy consumption across all the branches as well as the head-office and corporate offices for the fiscal year ended 2023. The Company has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HomeFirst Finance's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining its carbon emissions pertaining to its own operations. CERE has brought its extensive expertise in the technical and domain aspects of GHG Inventorisation to support HomeFirst Finance's efforts to accurately determine the carbon footprint associated with its operations in India. HomeFirst Finance has successfully assessed its carbon footprint across all its office locations. Below is our energy consumption and emissions data.

Parameter	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	kWh	TJ	kWh	TJ
Total electricity consumption (A)	618795.76 kWh	2.23 Terajoules	Not tracked	Not tracked
Total fuel consumption (B)	Not tracked	Not tracked	Not tracked	Not tracked
Energy consumption through other sources (C)				
Total energy consumption (A+B+C)	**618795.76 kWh**	**2.23 Terajoules**	**Not tracked**	**Not tracked**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	782.31 KWh/₹ crores of turnover	0.003 Terajoules/₹ crores of turnover	Not tracked	Not tracked
Energy intensity (optional) the relevant metric may be selected by the entity	623.16kWh/ employee	0.002 TJ/employee	Not tracked	Not tracked

Natural Capital

Parameter	Units	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of Co2 equivalent	15.02	*Not Tracked*
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of Co2 equivalent	439.34	*Not Tracked*
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.57 Metric tonnes of CO_2 equivalent / crores of turnover	*Not Tracked*
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		0.46 Metric tonnes of CO2 equivalent / employee	*Not Tracked*

The conversion factor considered for electricity emissions is 0.71 as per Central Electricity Authority (CEA) - CO_2 Baseline Database for the Indian Power Sector, version 18 (EF incl RES)

References

https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/global/decarbonizing-the-built-environment.pdf
https://www.thehindu.com/real-estate/planet-green-buildings-homes-construction-building-environment-eco-friendly-materials/article65487348.ece
https://www.usgbc.org/press/benefits-of-green-building
https://roofandfloor.thehindu.com/raf/real-estate-blog/why-green-homes-are-more-relevant-now-than-ever/
https://worldgbc.org/wp-content/uploads/2022/08/Sustainable-Buildings-for-Everyone-Everywhere_FINAL.pdf
https://www.financialexpress.com/budget/budget-2023-demand-creation-will-see-pvt-investments-says-india-inc-2968411/
https://indiacsr.in/csr-habitat-for-humanity-india-and-ikea-improve-homes-for-70-low-income-families/
https://habitatindia.org/harnessing-corporate-social-responsibility-for-empowering-low-income-families-through-affordable-housing/
https://storage.googleapis.com/iifl-finance-storage/files/investor/financials/IIFL%20Home%20Finance%20AR%202021-2022%20(01%20August%202022).pdf
https://hbr.org/2011/01/the-big-idea-creating-shared-value
https://www.weforum.org/agenda/2022/01/green-real-estate-sustainability-corporate-priority/
https://www.livemint.com/money/personal-finance/future-of-real-estate-market-in-india-in-2023-11676368024008.html
https://economictimes.indiatimes.com/industry/renewables/budget-2023-will-promote-green-growth-says-renewable-industry/articleshow/97534169.cms?from=mdr

Human Capital

Our differentiated people strategy backed by the creativity of our young and vibrant staff has enabled us to be rated as Great Place to Work for three years in a row. Our passionate employees with an entrepreneurial mindset, who work with a single-minded customer-centric approach, is undoubtedly the most important asset in our journey to be one of the country's most trusted and respected affordable housing finance companies.

HomeFirst's people strategy involves attracting, nurturing of talent and retaining the best talent and bringing out the best in them. Continuous training and development activities ensures our employees to stay ahead of the curve and provides the company with competitive advantage and drives the business.

As part of our employee engagement activity, we have enabled a 2-way communication platform called NAOL TV - between the employees and the leadership team. Wherein we have an open floor where the employees can ask questions and seek answers from the management team. This helps drive the company"s goals across the organisation and how they could contribute to the achievement of these goals. The episodes are a mix of guidance as well as fun - showcasing the human face of the senior team to all the employees on live TV. This in turn helps create a sense of belonging towards the organization.

The following factors are key to our unique people approach since they help us foster a positive work environment and are useful in attracting, retaining, and developing high-quality workforce.

- Diversity & Inclusion
- Recruitment Strategy
- Learning & Development
- Talent Retention & Recognition
- Employee Wellbeing and Benefits
- Employee Engagement Programs

Diversity & Inclusion

We are committed to hiring the right people for the right job and training them intensively. We encourage a diverse work environment and are an equal-opportunity employer. We are committed to treating all our employees and applicants fairly. The company's commitment to advancing equality and conducting business in accordance with the values of social justice, respect, and freedom of expression is expressed in its Equal Opportunity Policy. The Company's policy is to undertake all reasonable efforts to hire and promote people based on their skills and capabilities. The firm will appoint, train, develop, and promote individuals based solely on their merit and abilities. We also practice Equal Pay for Equal work and do not discriminate on the basis of gender or any other factor. We also have a Diversity & Inclusion Policy.

Ratio of basic salary and remuneration of women to men

Management		1.11
Non-Management		
-Branch		
	Sales	1.13
	Service	1.31
-HO		
	L0-L2	0.82
	L3-L4	0.69
	L5	0.63

L stands for Level where: L0-L1: Individual Contributors, Frontline staff and Customer Facing roles | L2-L3: First time managers, Manage a team or a department with independent responsibility or a couple of Branches L4-L5: Manage a region or a function with reporting to Zonal Heads or CXOs | L6: Manage a zone or large function, reporting to CXO

We are dedicated to fostering and preserving an inclusive workplace where everyone is treated with respect and dignity. This policy's goal is to encourage and support a diverse workplace that values our diversity and celebrates the positive contributions they may make.

Human Capital

As of Mar'23, our employee count was 993. Out of which 66.2% employees had obtained a post-graduation in business administration or management and approximately 23.3% had a bachelor in technology degree or a bachelor in engineering degree. Our median age of employees is 26.50 yrs. We have a healthy gender representation at the company level as well as at the Management Level with 24.3% of women workforce and 22.2% of women in the management team.

Age	Total no of employees	%	Female employees	%	Male employees	%
Under 30 years	778	78.3%	196	81.3%	582	77.4%
30-50 years	212	21.3%	45	18.7%	167	22.2%
> 50 years	3	0.3%	0	0.0%	3	0.4%
Total	993	100.0%	241	100.0%	752	100.0%

993
Employees

52%
Women at head office

24%
Women employees

22%
Women in senior management

Recruitment Strategy

We recruit majority of our employees through a comprehensive campus recruitment program, which sees participation from our CEO as well. We also employ people laterally to fill vacancies. We understand the importance of home-grown talent, so we create multiple opportunities through internal job postings, role enhancements etc. We also list open positions on our Website, LinkedIn page to increase the reach. Recently we have started internship program to college students - this enables them to get a hold of live projects and evaluate their outlook about the company in case they're handed placements.

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

Gender	Under 30 Years	30 - 50 Years	>50 Years	Total
Female	104	6	0	110
Male	345	53	1	399

Learning & Development

We are invested towards continuous improvement in the skills of our employees and provide opportunities for continuous learning and upskilling of our employees.

Induction

Employees who joined us as Relationship Managers and Customer Service Managers are included for the Induction Program. The 2 Day program consists of Technical as well as Soft Skill Training. Products/ Policies/Processes are explained and employees are assessed on the same. Employees go back to the branches with learning to handle their roles more efficiently.

So Far So Good

The Program assesses Relationship Managers who have completed 6 months in the system. These employees come prepared with a presentation (based on their experience over the past 6 months) on various parameters such as sourcing mix, marketing drives, KRA achievement and areas of improvement, which they present to the management team members of the organisation. This is followed by a refresher training on various aspects and interaction with the senior team of the organisation

Customer Service Training

Customer Service Managers are called in batches for a 2-Day program. Extensive discussions and training on Operations/Credit/Underwriting Processes, assessments and soft skills take place.

Human Capital

EVO

HomeFirst EVO is an initiative set for the new joiners for Talent Nurturing. It equips the employees with concepts related to finance and HomeFirst product/processes. Employees are assessed on the same in a written test format.

Aspire Program

Aspire is the opportunity for growth from a Relationship Manager/ Customer Service Manager to Branch Manager at HomeFirst.

Further, besides on-the-job training, we have compliance training as well as code of conduct, and cybersecurity training to drive holistic development. Recently, ESG and BRSR training was also launched to make the employees aware of the 9 principles of sustainable development and the growing importance of having sustainable operations.

During the current financial year, 14,240 manhours of training were clocked. This is compared to 5,288 manhours of training for the preceding fiscal year. Since we have a young and diverse employee base with a median age of 26.5 years and we have just 3 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	4,010	241	16.64
Male	10,230	752	13.60

	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	13,756	897	15.34
L3 and above	484	96	5.04

Talent Retention & Recognition

We have various competitions conducted throughout the year to keep up employee morale and ensure their engagement in the business. Further, we conduct NAOL TV series which addresses the questions in the minds of the employees answered by the management. Through this medium, we also try to guide the employees with the vision of the company and the year to come. Employee vintage is one of the parameters which symbolises stability and loyalty towards the company. About 11.4% of employees have completed 5+ yrs at HomeFirst.

Attrition Rate Overall

	Turnover rate in FY23			Turnover rate in FY22			Turnover rate in FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	38.69%	43.04%	39.80%	37.83%	33.41%	36.54%	18.51%	15.80%	17.64%

Human Capital

Attrition Rate (Age and Gender-wise)

Gender	Under 30 years	30 - 50 years	>50 years	Total
Female	48.02%	23.16%	-	43.04%
Male	38.62%	38.97%	33.33%	38.69%

Attrition Rate (Vintage and Gender-wise)

Gender	<1 years	1 - 3 years	>3 years	Total
Female	46.99%	54.00%	34.62%	43.04%
Male	36.39%	39.13%	41.99%	38.69%

Our employee-friendly policies create a safe and conducive work environment. The performance appraisal process is conducted quarterly and we have an open-door culture to receive feedback from the employees. Engagement surveys are conducted amongst the employees to monitor employee satisfaction. Another external engagement survey conducted was for Great Place to Work accreditation. According to the performance during the year, we extended performance-linked variable pay as well as competitive increments along with promotions for eligible employees in the year of a volatile job market. All employees undergo career development discussions and performance appraisal.

Employee Well-being & Benefits

"HomeFirst Health" initiative is a unique opportunity for employees to learn from the best in the wellness industry. We have ensured that the onus of one's well-being is firmly in their own hands by launching various initiatives that allow for downtime, flexibility and participation in wellness activities.

Physical Wellness

In collaboration with MyGalf, programs like YOGA, Core-body building etc. are specially curated to enthuse the younger population by making the activities fun. We also provide the opportunity to involve the family members of the employee to make sure that there is greater buy-in to the initiative.

Mental Wellness

In collaboration with 1to1help, employees can seek counselling as part of the EAP (Employee assistance program) or general guidance. It also provides employees with a support system if they face difficult situations at work. Webinars are done on Stress/Work-life balance for the field force.

We also have Employee Health & Safety Policy which is approved by the Board. The main motive behind this policy is to constantly strive to provide and ensure a safe and healthy work environment for all its employees through a suitable process. We also conducted training on Health & Safety.

We also conducted a fire-extinguisher safety drill at the Head Office to educate the employees on the safe ways to use a fire extinguisher as well as do's and dont's in case of an event of a fire.

HomeFirst has partnered with healthi to provide annual health check-up program. This covers services such as blood tests, general check-up as well as free consultation.

Employee Benefits

HomeFirst looks out for its employees and provides benefits such as health insurance, group accident insurance, and maternity/paternity benefits - which are one of the industry's best benefits. We also have a 5VY league which celebrates the employees who have

Human Capital

covered 5 years in the organisation and they are eligible to enjoy a pool of perks and benefits. In addition to the compensation that includes both salaries and allowances (including performance-linked bonuses), we provide our employees with employee stock options. As of Mar'23, 23.9% employees are covered under ESOP schemes.

The Company also offers to cover medical expenses, as applicable. In case of the death of an employee who had ESOPs, the ESOPs immediately vest with the nominee of such an employee.

% of employees covered by

Category	Total (A)	ESOPs (B)	% (B/A)	NPS (C)	% (C/A)
Male	752	183	24	12	2
Female	241	54	22	2	1
Total	993	237	24	14	1

% of employees covered by

		Health Insurance		Accident Insurance		Maternity Benefits		Paternity benefits		Day Care Facilities	
Category	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	752	752	100	752	100	NA	NA	752	100	NA	NA
Female	241	241	100	241	100	241	100	NA	NA	NA	NA
Total	993	993	100	993	100	241	100	752	100	NA	NA

Parental Support Policy

Maternity Leave:

Under this policy, a woman employee can avail of leave for up to 26 weeks with full pay for up to two children and for more than two children, can avail of maternity leave for up to 12 weeks (called Paid Maternity Leave).

Paternity Leave:

Men can avail of Paternity Leave under this policy for up to seven working days with full pay within two months from the actual date of delivery of the 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%	33%
Female	100%	64%
Total	100%	59%

Gender	Parental leaves availed in FY23	Number of employees who resumed work in FY23
Male	9	9
Female	14	17

Employees who availed parental leave in FY21- 22, returned to work and are still on the Company rolls as on Mar'23

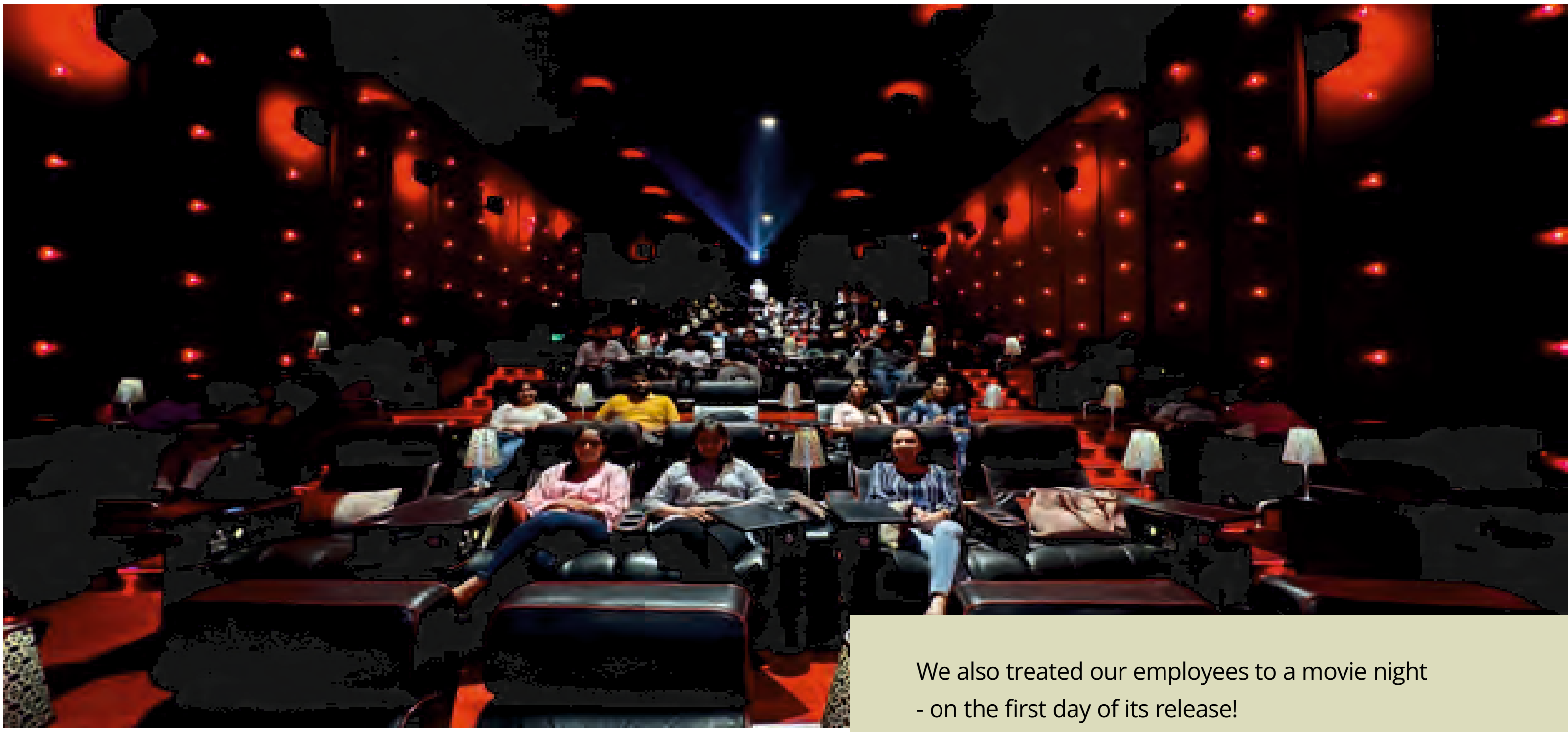
Gender	No of employees who took parental leave in FY21 - 22	Still employed 12 months after their return to work
Male	3	1
Female	14	9

Human Capital

Employee Engagement Programs

We believe in the adage Work Hard, Party Harder. HomeFirst is committed to be one of the best Great Places to Work - and thereby keep the employee morale high with various initiatives throughout the year.

There was a Cricket tournament conducted at the regional level - Branch Premier League (Hyderabad, Ahmedabad) as well as at Head Office (HomeFirst Premier League - Season 1).



We also treated our employees to a movie night - on the first day of its release!

We took our employees to witness an IPL match at Brabourne stadium.

Be it festivals, HomeFirst can't be far behind - we grandly celebrated Navratri and Diwali - treating our employees to a sumptuous dinner party!

Promoting Human Rights & Non-discrimination

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

Cases of Sexual Harassment at Workplace	No of complaints FY 22-23
Cases of Sexual harassment	0

Cases of Discrimination at Workplace	No of complaints FY22-23
Discrimination Complaints	0

Social and Relationship Capital

CSR Actvities

At HomeFirst, we are dedicated to supporting those who need it the most. Our primary focus is on the socio-economic development of migrant workers earning less than Rs 10,000 per month. This segment faces significant challenges with low income, limited skills, and inadequate access to healthcare, leaving them in a vulnerable position just one unfortunate event away from extreme poverty. Their entire income is typically consumed by daily expenses, making long-term savings difficult to maintain.Our vision is to measure the success of our CSR initiatives by the progress these individuals make, transitioning from vulnerability to healthier, happier homes. This year, we have further strengthened our flagship initiative, Project Sashakt, with a focus on key pillars such as skilling, healthcare, education, and development. In the Narol area of Ahmedabad, we are actively supporting over 1,500 beneficiaries, diving deeper into this community to make a meaningful impact. At HomeFirst, we firmly believe in giving back and are committed to empowering these individuals to build a brighter future. Most of our projects are concentrated in the states of Gujarat and Maharashtra (we have presence across 13 States/UT).

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

Vision Statement

Empower people to live better

Social and Relationship Capital

PROJECT SASHAKT - Socio Economic Development of Migrants

Under the flagship project of HomeFirst - Project Sashakt we have adopted 1000+ underprivileged families in the Narol area of Ahmedabad with the aim to raise their standards of social, health and economic status to a point from whereon they can become self-sufficient in every sense. This involves interventions and initiatives along the lines of education for children, financial literacy and upskilling for adults and healthcare for all. These together form the four pillars of Project Sashakt: Skilling & Employment, Education & Development, Health initiatives and Financial Literacy

Skilling & Employment

Overview

Dec'22, launched Sashakt Skilling Center at Narol. Capacity to cater **1,000+ beneficiaries** annually

600+ beneficiaries already enrolled across 3 batches and **371** have completed the course

Impact

Beneficiaries from Batch 1 where 120 were enrolled, have already started getting jobs and working on their own after completing the

248
Self Employed Tailoring

242
Beauty & Wellness

77
GST with Tally

95
Data Entry Operator

7
CNC Operator

2
EV Assembly Operator

1
Industrial Welder

1
Solar PV Installer

6
Secured jobs

19
Beneficiaries became self-employed

2
General Duty Assitant

Education & Development

Overview

Nov'22 - Sashakt Science Labs were launched for holistic experiential learning of students from marginal families at Narol. These science labs are fully equipped to give the students practical learning integrated with their current curriculum. Regular tests will be conducted to measure the progress.

6
Schools

5,000+
Students

Continuing with our highly popular **Bal Sashakt** initiative. An integrated educational program incorporating academics, arts, craft, sports, nutrition, and cultural aspects for kids aged between 6 to 15 years

4
Batches Completed

12
Week / Batch

200+
Students

Impact

6 Gov/semi-aided schools have now access to STEM education

3
Specialized STEM educators appointed

150+
DIY Kits & Demo Models Available in regional languages

652
STEM Sessions

372
Hours of students training

To encourage them further we organized an interschool science fair. **Guests were invited from ISRO** to motivate and judge the children's projects

207
Students Participated

72
Different Type of Working Models







Education & Development

Preventive Healthcare Measures for Schools

Overview

Prevent diseases and improve overall health and hygiene for 3 schools by conducting health awareness camps and constructing hygienic toilets.

Impact

2,800 Free Dental Checkups

900 Sanitary Pads Distributed

22 Toilets Constructed

2,557 Free Eye Test

246 Spectacles Distributed

Sustainable Measures for Schools

Overview

To lower monthly electricity bills for semi-aided schools at Narol we have installed solar panel and LED lights

Impact

3 Schools

120 LED Lights

13.86 kwp* Solar Panel Installed

**Estimation is subject to grid availability, PV module cleaning*


Social and Relationship Capital

Financial Literacy

A workshop was conducted on the basics of banking. Awareness created **around savings, borrowing money and transaction frauds**

Regional language booklets with all necessary guidelines were distributed **80+ Candidates Participated**

Health Initiatives

Free weekly medical check-ups organized, with free medicine distribution for all Sashakt Beneficiaries

1,985
Beneficiaries Benefitted

48
OPDs

34
Gynaecology Checkups

2
Eye Camps

280
Free Eye Test

246
Spectacles Distributed

3
Dental Camps

166
Free Dental Check-ups

Social and Relationship Capital

Mahila Shram Shakti Kendra

Continuing from last year, in order to enhance the living standard of migrant, women-construction workers in Ahmedabad and Surat we have expanded our efforts through the following activities:

Skill Training

369 given individual **OJT counseling** and **78** enrolled for program

Post training they were upgraded from helper to skilled worker and **daily wages increased** by **₹300-400**

Social Security

1,578 women enrolled for E-shram and E-nirman cards

1,313 Registered under BOCW Scheme

9 Received maternity benefit of ₹37,500 each

Health and Nutrition

Mass awareness drives covering menstrual hygiene and reproductive health

We created awareness around **UPT kits usage**. Now, **50 UPT kits** are being used monthly across centers

466
Women

1,500+
Sanitary Pads Distributed

Legal Aid and Education

63 legal literacy meetings were conducted across **3 centres**

1,002 beneficiaries attended

130
Legal Counselling

30
Cases Registered

Financial Literacy

Workshop on
- Basics of banking
- Money and Transaction frauds
- Savings and Loans

256
were helped with KYC's

Social and Relationship Capital

Green Initiatives

Solar Panels Fitment

Objective

Reduce the daily running cost and carbon emission

Initiative

Installed solar panel at old age home (run by Manav Seva Kalyan Trust) and 3 semi-aided schools at Narol, Ahmedabad

Solar Pump Installation

Objective

To promote multiple cropping for marginal farmers. So that, same piece of land can grow 2 or more crops in a calender year

Initiative

Installed **5 solar pumps** and drip irrigation in association with Keshav Srushti

Tree Plantation Drive

Objective

Help in creating additional income for the marginal farmers

Initiative

Distributed **40,000+** fruit saplings in partnership with Global Parli Vikas Trust

Simply Social

To promote employee driven CSR initiatives and create general awareness within the team. HomeFirst donated the mentioned amount on behalf of the employee to their chosen cause on work anniversaries.

111 Clubfoot Rectification

28 Cleft Lip Surgeries

261 Employees

₹19 lakhs Contributed

Before

After

Social and Relationship Capital

Customer Centricity

In a machine loom factory, Anil ji works as a skilled machine operator, earning a monthly income of ₹20,000. His wife is a dedicated primary school teacher, earning ₹15,000 per month. They have inherited a piece of land from their parents and aspire to build a house on it. However, they face a common challenge - they lack the traditional salary slips and documents to prove their monthly income. The question arises: Can they secure a housing loan of ₹10 lakhs to build their home?

A decade ago, the answer would have been a resounding "NO." Back then, hard working professionals like Anil had limited access to formal lending avenues due to various obstacles. Some lacked the necessary paperwork to support their income, while others found the loan application process too daunting. As a result, many loan applications remained unrealized, as customers struggled to articulate their needs clearly and the traditional banks fell short in customising their solutions. It was these challenges that HomeFirst wanted to overcome and it all started from keeping the customer at the centre of everything!

Our roadmap was clear - Simplify the home loan process and provide first-time homeowners, like Anil, with a fast yet customised solution. At HomeFirst, we believe that everyone deserves a chance to own their dream home, regardless of income or documentation constraints. We have designed our processes and services to cater specifically to individuals like Anil, who may not fit into traditional lending frameworks. By embracing innovation and customer-centric approaches, we have successfully enabled countless individuals to realize their aspirations of homeownership.

Our Differentiators

Single Point of Contact
across the journey of the loan

No Physical Documents
required from lead to approval stage

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

Customized Loan
"We See You, Not Your Documents"

Approval in 48 hrs
Fastest turnaround in the industry

No Hidden Charges
One time fixed charges

Mobile App
Full feature app with prepayment option

Easy Prepayment
Zero prepayment charges

Consent Call Before Disbursal
Disbursal only with customer permission

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

Our journey continues as we strive to provide inclusive and accessible financial solutions, empowering individuals and families to build their homes and create a foundation for a better future. In our relentless pursuit of delivering exceptional customer experiences, we continuously refine our mobility solutions and enhance the user-friendly features of our app. With various communication channels available, including WhatsApp, Chatbot, Email, hotline number, and social media handles, customers can effortlessly reach out to us. Alongside our branch-based relationship managers, we also have virtual relationship managers ready to cater to customers' needs. By promoting transparent communication and embracing unconventional methods to meet customer requirements while swiftly processing their requests, HomeFirst has positively impacted the lives of over 1,00,000 customers!

We take pride in serving a diverse range of customers, reflecting the rich tapestry of our nation. Our customer base spans across 13 states/ UT, encompassing different

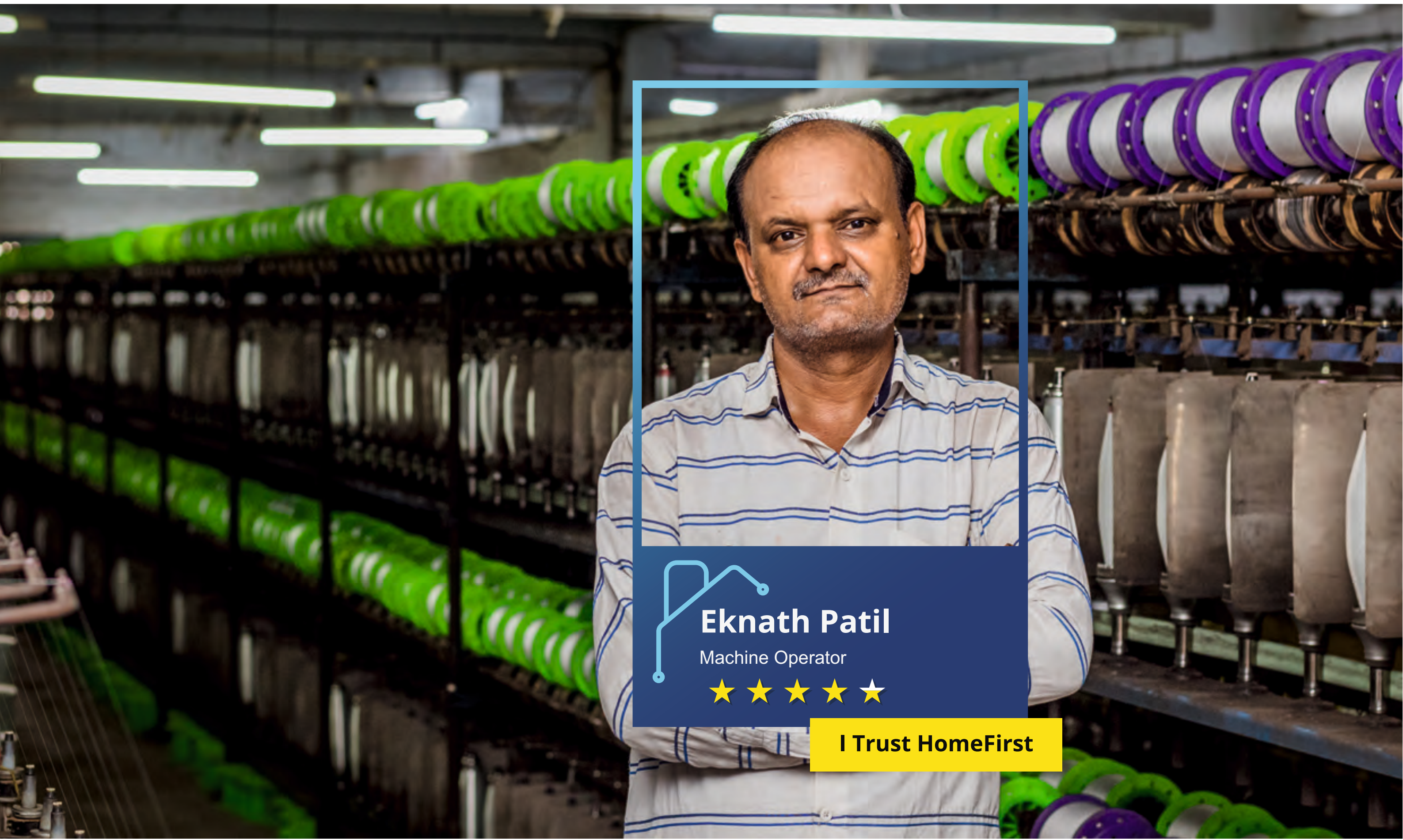
Social and Relationship Capital

different cultures, languages, and backgrounds. We cater to individuals of various ages, from young professionals starting their careers to seasoned individuals planning. Our customers represent a wide array of occupations, including salaried employees, self-employed individuals, and small business owners. Newer occupations like social media influencers, delivery partners, graphic designers and tech professionals are also becoming a part of our portfolio.

At HomeFirst, to service all kinds of needs we have adopted a Phygital model, seamlessly blending physical and digital processes. Customers can easily self-onboard through our website in just four simple steps or take help of our highly trained relationship managers. Our commitment to customer-centricity goes beyond technology! The team of dedicated relationship managers understand the unique needs of our diverse customer base. Whether it's addressing language preferences, providing personalized guidance, or offering tailored solutions, we strive to create an inclusive environment where every customer feels valued and understood.

To cater to our diverse customer base, we offer loan agreements in regional languages such as Hindi, Marathi, Gujarati, Tamil, Telugu, and Kannada, in addition to English. Our website and branches prominently display all applicable fees and charges, ensuring complete transparency. Furthermore, the terms and conditions are summarized in the Most Important Terms and Conditions (MITC) document, which is attached to the Loan Agreement for easy reference.

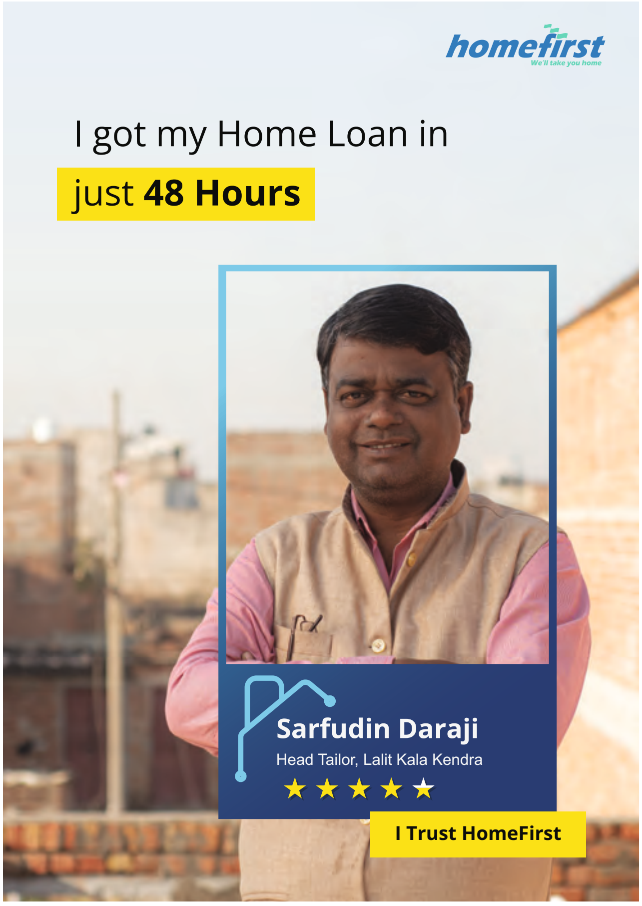
Transparency is at the core of our value system, driving our operations and communication. We are committed to promptly resolving customer complaints, which are centrally tracked and addressed. Customers like Anil, now prepay from the App directly and raise a query if they need to know something from the App itself. With a well-defined customer grievance policy and procedures in place, our highly trained employees are dedicated to resolving issues in a timely and empathetic manner. Customers can access our Customer Grievance Mechanism through our website, ensuring a seamless and effective resolution process.

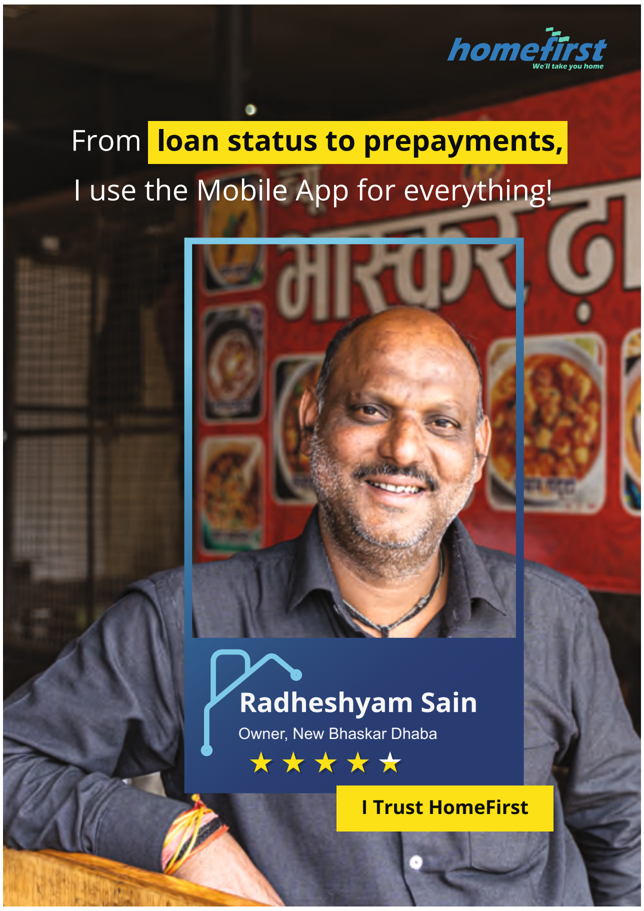


Social and Relationship Capital

As we strive to exceed customer expectations, HomeFirst also plays a vital role in fulfilling aspirations and upgrading lifestyles as the Indian middle class expands. We witness the transformative power of homeownership, providing stability, security, and a better quality of life for the entire family. By offering accessible financing options, simplified processes, and exceptional customer service, we assist individuals in realizing their dreams and contribute to the growth of the Indian middle class. This expansion has far-reaching effects, driving economic growth, fostering stronger communities, and contributing to overall development. HomeFirst is committed to being a trusted partner on this journey, empowering individuals and families to upgrade their lifestyles and contribute to the vibrant growth of the Indian middle class.

Our Customer-Friendly Features





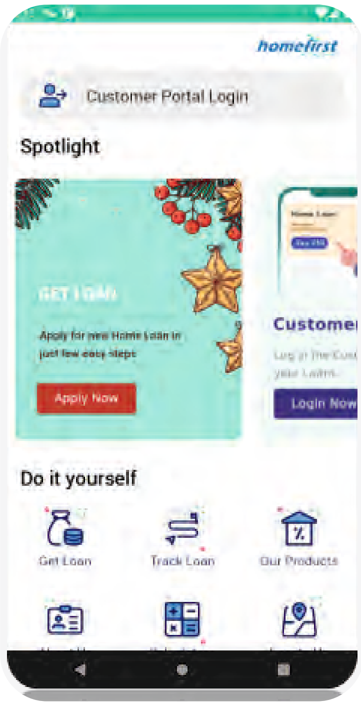
Intellectual Capital

We have consistently remained at the forefront of technology utilization for product innovation, cultivating new efficiencies, and fostering sustainable business growth. Tech is at the core of all processes and operations. Right from onboarding a customer to the disbursement of a loan - it is a complete paperless process!

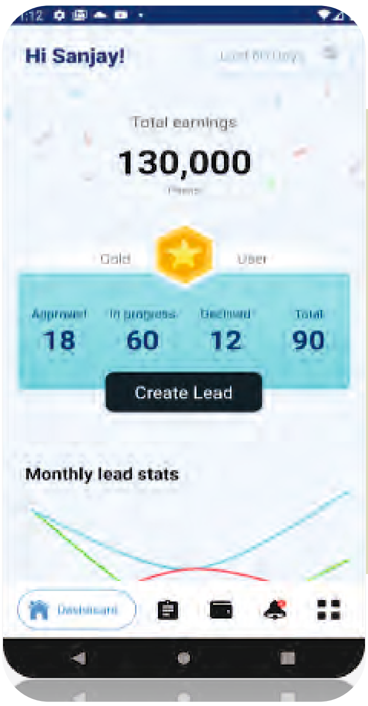
Throughout this year, we have sustained our commitment to investing in technologies, consumer insights, and advanced analytics, enabling us to create captivating customer experiences, streamline decision-making processes and enhance operational excellence.

Mobility Solutions

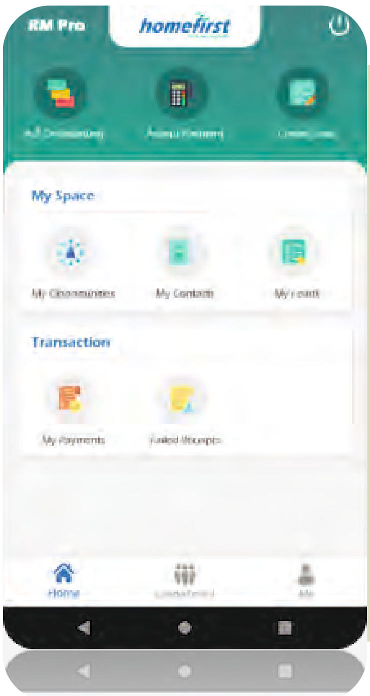
In an intensely competitive industry, we have remained committed to cultivating our creative edge by strategically investing in state-of-the-art technology, aligning with global trends. Our approach is grounded in design thinking, allowing us to connect with the ever-evolving preferences of our customers. At Home First, we prioritize the customer, placing them at the center of all our endeavors. Every innovation we conceive and implement is driven by the ultimate objective of delivering an exceptional customer experience.



HomeFirst Customer Portal App - This app enables our customers to numerous features such as accessing loan statements, and prepayment of loans without any prepayment charges and service requests.



HomeFirst Connect - This app is for our Channel Partners to login their leads and track the status of the leads provided.



HomeFirst RM Pro - This app is for our Relationship Managers and has a host of features to support the RM in his day to day work. The RM can collect payments from customers, onboard new connectors, feed in leads as well as process loans and track them real time, create tasks for collections or other daily activities, update KYC details on the system through the App, amongst others.

Intellectual Capital

Digital Marketing

We execute comprehensive marketing campaigns across a range of online platforms and engage with our audience through our active social media presence. Additionally, we have established strategic partnerships with esteemed organizations like Paisa Bazaar, Magic bricks, No broker and India Post Payments Bank to acquire digital leads. As part of our commitment to customer education, we produce informative vlogs under the "HomeFirst Gyaan Series", which enlighten our customers about various aspects of home buying / building.

To ensure seamless communication, we provide multiple channels for our customers to reach out to us, including social media platforms, WhatsApp, and email. We strive to be readily available and accessible to address any queries or concerns they may have.

Below is a video educating the viewers about Home Loan

Home Loan Eligibility Calculator Home First Finance Company

HomeFirst collaborated with Disney+Hotstar's Special, Home Shanti – A light-hearted take on the "Joshi Parivaar's" home building journey. The movie talks about various obstacles the family faces in their path of constructing their dream home. HomeFirst relates with this struggle and assists the customers to wade through this struggle in a seamless manner.

Intellectual Capital

Data Analytics

The foundation of our robust asset quality stems from our rigorous credit underwriting practices. We meticulously gather over 100 data points, encompassing documents, bureau data, photographs, and more, which are securely stored in the cloud. Our collaborations with trusted third-party aggregators enable us to access valuable information on fraud, vehicle ownership, and taxation, facilitating swift and accurate decision-making. Moreover, our in-house machine-learning customer scoring models play a pivotal role in enhancing 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 enable us to process loans in a paperless manner and with quick turnaround times.

To preserve the information from all of our various applications, we utilize a data lake. This speeds up data consolidation, visualisation, the creation of machine learning models, and model application. Also, the data lake enables thorough analytics that improve operational decisions.

We also use software such as Tableau to prepare various real-time MIS and visualisation of data - this assists in monitoring key parameters and taking quick decisions.

E-Stamping
(60% in FY23)

E-NACH Mandates
(65% in FY23)

Digitally Agreement Signing
(46% in FY23)

Tech-Infrastructure

We capture and store our data on a secure cloud-based platform, allowing our employees to work remotely from anywhere. This not only enhances flexibility but also grants us real-time access to data. Such capabilities enable us to streamline centralized underwriting processes consistently and achieve fast turnaround times. In addition, we have implemented an integrated customer relationship management and loan management system on a leading cloud-based platform. This setup provides us with a comprehensive overview of all our customers, empowering us with a holistic understanding of their needs and requirements.

We have also set up infrastructure for E-NACH, E-signing, E-Stamping, and E-vaulting.

Our website as well as Customer Portal App offers a potential customer to self-onboard and get soft approval.

Tech in Collections

95% of collections are non-cash. A customer can make payment via Card, UPI, Net banking channels using the Customer App. We remind the customers about their dues by automated calling as well as SMS reminders. 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.

Lead Management System

Kaisys is an internally developed lead management system with omnichannel communication and a personalized sales journey, integrated with bureau and third-party data sources.

GRI Index

GRI 102	GENERAL DISCLOSURES	
Organisation Profile		
102-1	Name of the organisation.	Pg 181
102-2	Activities, brands, products, and services	Pg 181
102-3	Location of headquarters	Pg 181
102-4	Location of operations	Pg 11
102-5	Ownership and legal form	Pg 181
102-6	Markets served	Pg 11
102-7	Scale of the organisation	Pg 182
102-8	Information on employees and other workers	Pg 61
102-13	Membership of associations Business Responsibility Report	Pg 221
Strategy and Analysis		
102-14	Statement from senior decision-maker	Pg 35
102-15	Key impacts, risks, and opportunities	Pg 112
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Pg 08
102-17	Mechanisms for advice and concerns about ethics	Pg 44 - Pg 46
Governance		
102-18	Governance structure	Pg 41
102-19	Delegating authority of economic, environmental and social topics	Pg 44
102-20	Executive-level responsibility for economic, environmental, and social topics	Pg 187
102-21	Consulting stakeholders on economic, environmental, and social topics	Pg 206
102-22	Composition of the highest governance body and its committees	Pg 7, Pg 43 - Pg 44
102-23	Chair of the highest governance body	Pg 43
102-24	Nominating and selecting the highest governance body	Pg 152 - Pg 153
102-25	Conflicts of interest	Pg 192
102-26	Role of highest governance body in setting purpose, values, and strategy	Pg 146 - Pg 158
102-27	Collective knowledge of highest governance body	Pg 146
102-28	Evaluating the highest governance body's performance	Pg 44
102-29	Identifying and managing economic, environmental, and social impacts	Pg 51
102-30	Effectiveness of risk management processes	Pg 115 - Pg 119
102-31	Review of economic, environmental, and social topics	Pg 187
102-35	Remuneration policies	https://homefirstindia.com/files/Nomination%20and%20Remuneration%20Policy.pdf
102-36	Process for determining remuneration	Pg 152 - Pg 153
102-37	Stakeholders' involvement in remuneration	Pg 152 - Pg 153, Pg 159 - Pg 160
102-38	Annual total compensation ratio	Pg 60, Pg 179
102-39	Percentage increase in annual total compensation ratio	Pg 179

GRI Index

Stakeholder Engagement		
102-40	List of stakeholder groups	Pg 49 - Pg 50
102-42	Identifying and selecting stakeholders	Pg 204 - Pg 206
102-43	Approach to stakeholder engagement	Pg 49 - Pg 50, Pg 204 - Pg 206
102-44	Key topics and concerns raised	Pg 49 - Pg 50, Pg 204 - Pg 206
Identified Aspects and Boundaries		
102-46	Defining report content and topic Boundaries	Pg 2
102-47	List of material topics	Pg 52
102-50	Reporting period	Pg 2
102-52	Reporting cycle	Pg 2
102-53	Contact point for questions regarding the report	Pg 181
102-54	Claims of reporting in accordance with the GRI Standards	Pg 2
102-55	GRI content index	
102-56	External assurance	Pg 2
GRI-300	Environmental	
302-1	Energy consumption within the organisation	Pg 58
305-1	Direct (Scope 1) GHG emissions	Pg 58 - Pg 59
305-2	Energy indirect (Scope 2) GHG Emissions	Pg 59
GRI-400	Social	
Employment		
401-1	New employee hires and employee turnover	Pg 61 to Pg 63
401-2	Benefits provied to full time employees, programs for upgrading employee skills	Pg 64
401¯3	Parental leave	Pg 64
Training and Education		
404-1	Average hours of training per year per employee	Pg 62
404-2	Programs for upgrading employee skills and transition assistance programs	Pg 62
404-3	Percentage of employees receiving regular performance and career development reviews	Pg 63
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pg 43, Pg 61
405-2	Ratio of basic salary and remuneration of women to men	Pg 60
Non Discrimination		
406-1	Incidents of discrimination and corrective actions taken	Pg 67
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Pg 68
413-2	Operations with significant actual and potential negative impacts on local communities	Pg 68 - Pg 73
Marketing and Labelling		
417-1	Requirements for product and service information and labeling	Pg 228 - Pg 229
417-2	Incidents of non-compliance concerning product and service information and labeling	Pg 228 - Pg 229

Sonu Singh Parmar

Color Master in a private paints workshop. He has taken a Home Construction Loan

Statutory Reports

Management Discussion and Analysis

The following section will give you an overview of the macro environment, the changes in the operating environment, the key drivers for housing finance and the enormous size of the housing finance opportunity. The section is structured in the following manner:

1. GDP growth expectation and peer comparison.
2. Economic momentum: India through charts
3. Manufacturing & Export led growth
4. Rise of Middle Class & working-age population
5. Per Capita Income analysis and correlation with Mortgage to GDP
6. Digital leapfrogging
7. Other Demand Drivers
8. Conclusion

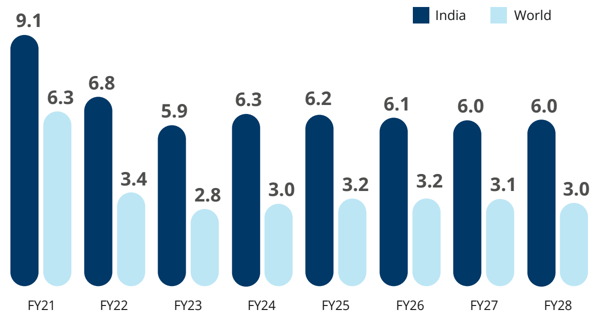
1. GDP growth expectation and peer comparison

Strong FY23, Strong GDP Growth Outlook

According to the latest IMF's World Economic Outlook (Apr'23), the world economy is projected to grow by 2.8% in 2023 and 3.0% in 2024 from a growth of 3.4% seen in 2022 and will normalize in the range of 3.0%-3.2% over the medium term.

India is the fifth largest economy as per IMF and is projected to fare better than peers with an impressive estimated growth of 5.9% in 2023 and 6.3% in 2024 (April'23 Update). As per various leading research institutions, Indian GDP has the potential to deliver the highest CAGR globally in the medium term amongst large economies, driven by various structural policy measures taken by the Indian government.

India and World GDP Growth (in %)



Source: IMF, World Economic Outlook, April'23

India is expected to be the third largest economy by 2027 after USA and China moving up from its 5th position currently (non-PPP basis). India is already 3rd largest economy on PPP basis after USA and China.

GDP of major economies (USD Bn in Current Prices). India will be a USD 5 Trn economy and 3rd largest economy by 2027 (non-PPP adjusted)

Country	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
USA	18,695	19,477	20,533	21,381	21,060	23,315	25,464	26,855	27,741	28,766	29,903	31,092	32,350
China	11,227	12,265	13,842	14,341	14,863	17,759	18,100	19,374	20,881	22,408	24,036	25,722	27,493
India	2,295	2,651	2,703	2,836	2,672	3,150	3,386	3,737	4,062	4,403	4,766	5,153	5,575
Japan	5,004	4,931	5,041	5,118	5,049	5,006	4,234	4,410	4,526	4,731	4,923	5,077	5,344
Germany	3,469	3,690	3,976	3,889	3,887	4,263	4,075	4,309	4,446	4,635	4,822	4,947	5,044
UK	2,710	2,686	2,882	2,859	2,707	3,123	3,071	3,159	3,375	3,574	3,793	4,016	4,245
France	2,472	2,594	2,792	2,729	2,636	2,957	2,784	2,923	3,019	3,133	3,233	3,322	3,391
Canada	1,528	1,649	1,725	1,744	1,648	2,001	2,140	2,090	2,179	2,281	2,385	2,492	2,605
Italy	1,877	1,961	2,093	2,012	1,896	2,116	2,012	2,170	2,218	2,285	2,347	2,407	2,450
Russia	1,281	1,575	1,653	1,696	1,488	1,837	2,215	2,063	2,118	2,159	2,206	2,235	2,266

Source: IMF World Economic Outlook (April'23 Update)

Management Discussion and Analysis

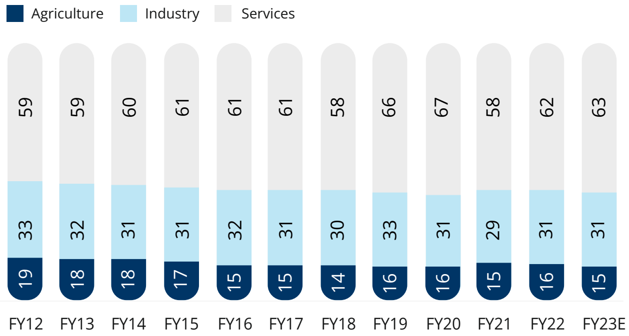
Rank	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
2	China	China	China	China	China	China	China	China	China	China	China	China	China
3	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	**India**	**India**
4	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Japan	Japan
5	UK	UK	UK	UK	UK	**India**	**India**	**India**	**India**	**India**	**India**	Germany	Germany
6	France	**India**	France	**India**	**India**	UK	UK	UK	UK	UK	UK	UK	UK
7	**India**	France	**India**	France	France	France	France	France	France	France	France	France	France
8	Italy	Italy	Italy	Italy	Italy	Italy	Russia	Italy	Italy	Italy	Canada	Canada	Canada
9	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Italy	Italy	Italy
10	Russia	Russia	Russia	Russia	Russia	Russia	Italy	Russia	Russia	Russia	Russia	Russia	Russia

Source: IMF World Economic Outlook (April'23 Update)

Indian economy's three major pillars witnessed growth in FY23 as per government provisional estimates; with Industry sector expected to grow the highest by 10.1%. Services sector growth is also expected to grow at a robust 7.4% despite it's higher share in GDP. As per various economists, government's focus on manufacturing and services will raise economic output and create more jobs driving per capita income.

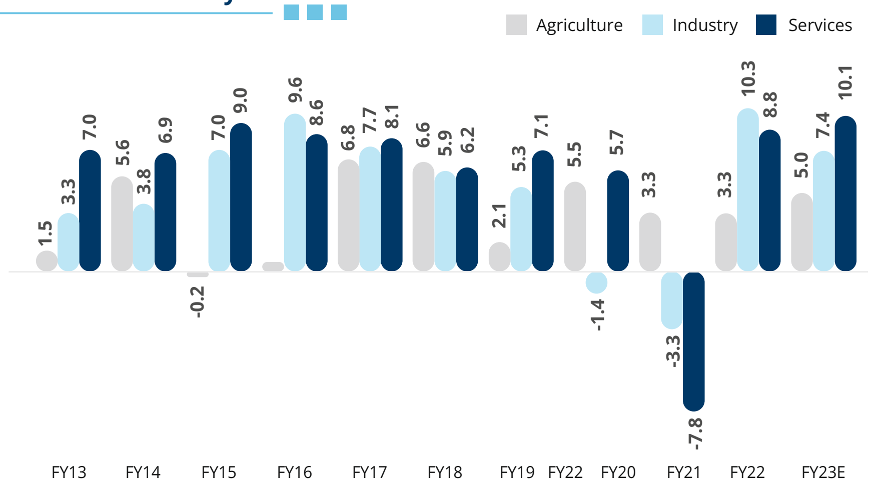
Indian Economy contribution by 3 major sectors. Services continue to grow on strong IT sector growth, followed by manufacturing sector where government has a strong focus.

GVA Composition of Indian Economy *in %*



Source: RBI (FY23 is provisional estimate)

Sector-wise growth of Indian Economy *in %*

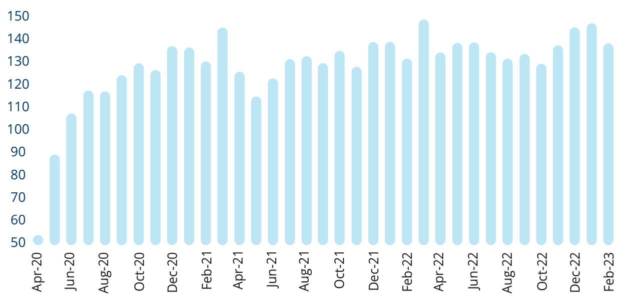


Source: RBI (FY23 is provisional estimate)

Management Discussion and Analysis

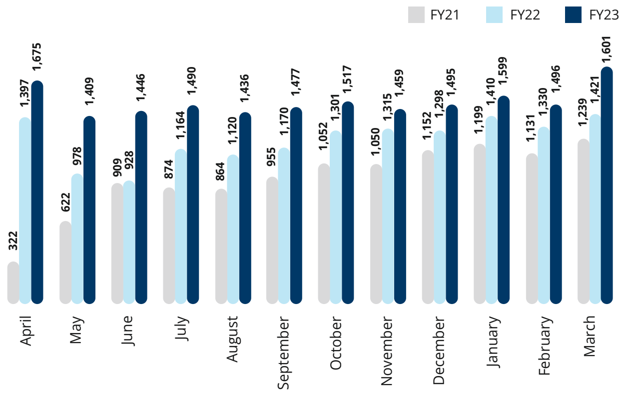
2. India through Charts

IIP Index has been strong (x)



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

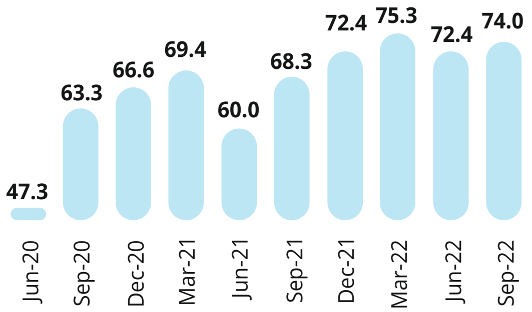
GST Collection (₹ Bn) - Growth of 22% in FY23 highlights strong economic activity.



Source: Government of India

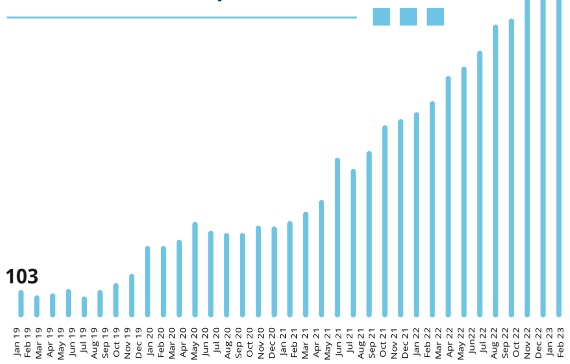
Capacity Utilisation is consistently above 70% and close to 75% highlighting momentum in economic activity

Capacity Utilisation (%) - RBI



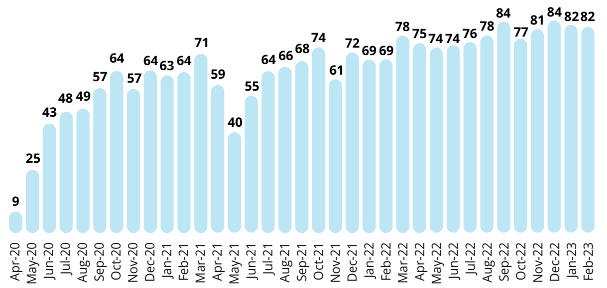
Source: RBI

Total Credit in the system grew by 13% CAGR since April'07



E-way bills continues to show growth in monthly issuance

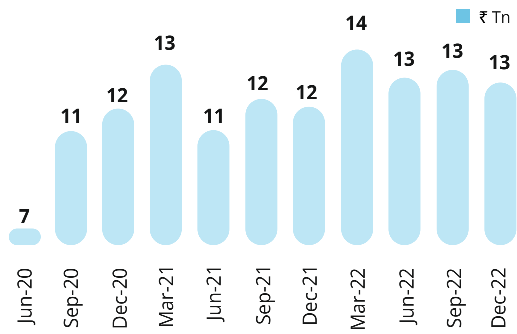
E-Way bills continues to trend upward (in Mn)



Source: Government of India

Capex in India increasing mainly led by Public infrastructure spends and will be a key driver of employment in India going forward with corporate capex

Gross Fixed Capital Formation



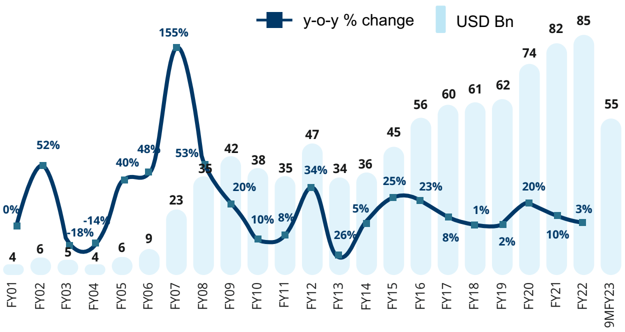
Source: RBI

Management Discussion and Analysis

Strong FDI Inflows

India has been a preferred economy within emerging markets when it comes to long-term investments by foreign investors. During FY22, India received USD 85bn of investments which is also the highest India has ever received and in 9MFY23, India has received USD 55bn FDI inflows. This is due to strong long-term prospects of the economy, stable government, structural policies for a reliable business destination expected by corporates and large market with a growing middle-class and working-age population. ***Also, the favorable business dynamics has improved India's rank in FDI Inflows from 43rd Rank in the year 1990 to 7th Rank in 2021.***

Foreign Direct Investments received by India (USD Bn)



Source: Ministry of Commerce and Industry. Note that FY23 is for 9 Months

Industrialised states receiving large FDI share (USD Mn) – HomeFirst's 6 focused states of Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana, and Karnataka contributed 48% of total FDI investments in 9MFY23 indicating business friendly environment supporting Housing ecosystem (USD Mn)

State #	FY21	FY22	9MFY23
Gujarat	21,890	2,706	4,141
Karnataka	7,670	22,072	8,773
Maharashtra	16,170	15,439	10,766
Tamil Nadu	2,323	3,003	1,890
Telangana	1,155	1,607	1,081
Focused States Total	49,208	44,827	26,651
Delhi	5,471	8,189	6,114
Haryana	1,697	2,798	2,010
Jharkhand	792	6	5
Rajasthan	272	707	764
West Bengal	415	428	238
Others	24,118	27,880	19,492
FDI Grand Total	81,973	84,835	55,274
Focused State%	**60.0%**	**52.8%**	**48.2%**

Source: Government of India
** AP is a focused state but FDI is not disclosed seperately by GOI*
 # Government started sharing State-wise FDI starting Oct'19.

Indian economy will continue to benefit from structural positives like higher urbanization rate, 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 stimulus provided by the current fiscal budget promoting an uptick in public investment with main focus on Infrastructure investments and corporate capex led by PLI Scheme.

As per Crisil, few factors adding to resilience of the Indian economy are 1) Healthy corporate balance sheets providing a better cushion against shocks 2) A robust financial system providing impetus to growth and 3) Government capex focused on building infrastructure.

3. Manufacturing & Export led growth

Renewed thrust on manufacturing sector: Over medium to long term, Indian economy to get further strength from capex led by government infra and PLI Scheme.

The Covid pandemic has turned the spotlight on being Atmanirbhar (self-dependent) considering the quantum of foreign exchange we spend on imports like Oil, Gold, Electronic Goods, etc. Government of India introduced a scheme in April 2020 called "Production Linked Incentive", "PLI scheme" in short, for the manufacturing of large-scale electronics. Since then, PLI scheme is being extended to other sectors. PLI is an innovative scheme that provides incentives in terms of cash to various companies for enhancing their domestic manufacturing apart from focusing on reducing import bills and improving the cost competitiveness of local goods.

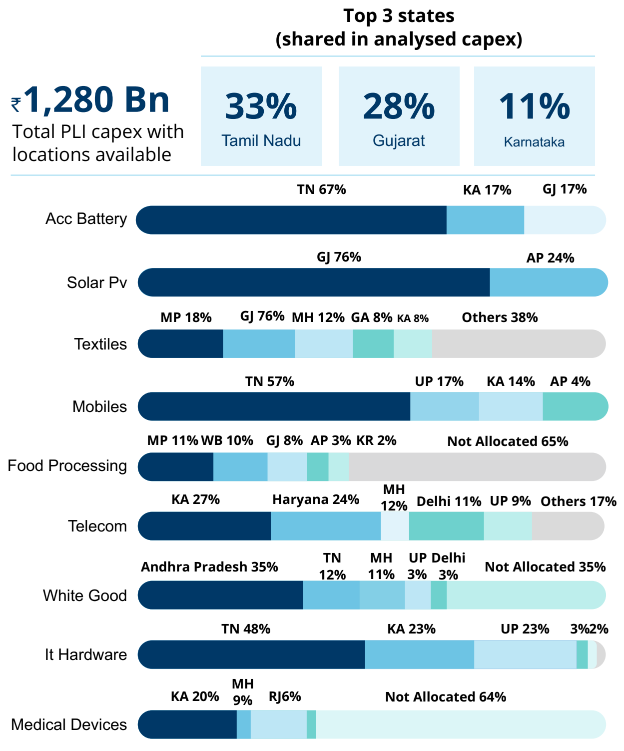
It is expected that Indian capex theme will receive another fillip, in addition to Infrastructure capex, Production-Linked Incentive (PLI) scheme is expected to drive industrial capex in India over the next decade.

Management Discussion and Analysis

Around ₹ 2.5 Tn worth of capex is expected via PLI scheme as per Crisil. The PLI scheme has given impetus to 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.

As per Ministry of Labour & Employment (Govt of India), PLI scheme has potential to add 6 mn new jobs (directly + indirectly) over 5 years. Crisil estimate that PLI would help Indian manufacturers add ~$25 billion to the ~$450 billion merchandise of exports of FY23. In FY22, ~$9 billion, or 2% of exports, were from PLI-based projects. Potentially, PLI-linked exports alone can be as high as $140 billion annually in medium to long term.

Locations for 50% of PLI capex identified. Sites are concentrated in large states with major HomeFirst presence.



Source: Crisil, March 2023

Success of PLI is already visible as mobile manufacturing has taken-off.

Before 2014, there were 2 mobile manufacturing factories; Post 2021, over 200 manufacturing units have been set up in India. India became the preferred destination for Global manufacturing giants. Samsung opened the world's largest phone manufacturing unit in India, and leading global Giants like Apple have shifted major units to India. According to a Business Standard report, Apple has already created 1 Lakh new jobs in the last 19 months. India's agile policies and anti-fragile mindset is propelling India's holistic and inclusive growth.

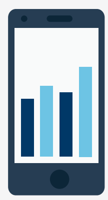
Mobile phone exports in 2015-16 were near zero. Exports in 7MFY23 surpassed the $5 Bn mark (FY23 expectation is $9 Bn). The world's leading economies like the UK, Netherlands, Austria, Italy, South Africa, and other countries are using Made-in-India Mobiles. India envisions an ambitious plan to scale annual mobile manufacturincg to $126 billion by 2025-26.

Coming A Long Way

Mobile phones worth **₹2.75** Tn produced in India in 2021-22, vs **₹900 Bn** in 2016-17

Exports of mobiles constituted **16%** of production in 2021-22, vs **1%** in 2016-17

Mobile exports could rise to 22% of production in '22-23



Mobile exports worth around **$9 billion** likely in this fiscal

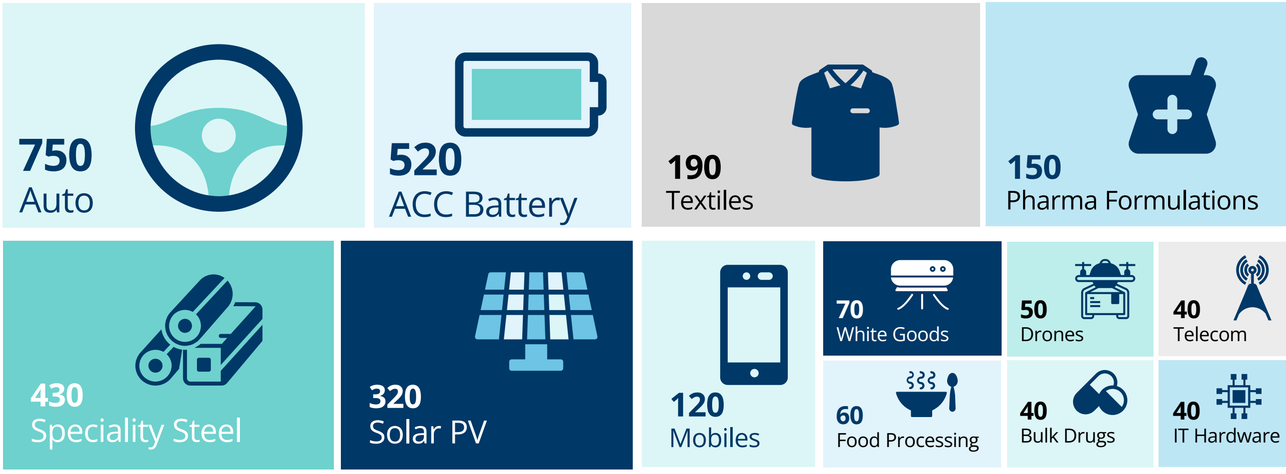
Apple **and** Samsung **leading exports, with** 75-80% **share**

Source: Times of India Link

Management Discussion and Analysis

Various sector approved under PLI Scheme

in ₹ Bn

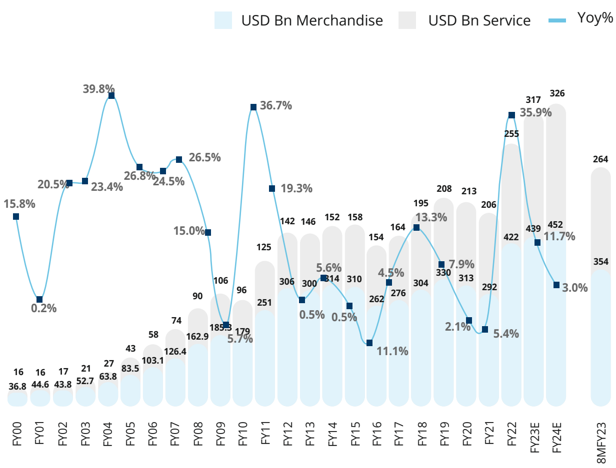


Government's focus on exports will drive manufacturing sector going forward over the already strong services sector. HomeFirst has strong presence in 6 states of large exporters.

As per CII, India is poised to target $1 trillion 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 trillion target.

In FY23, India is expected to deliver merchandise exports of USD 439bn, an increase of 4% on Yoy basis and also the highest ever despite the concerns in global economy. Services export has already crossed FY22 levels of USD 252bn in first 10months at USD 264bn and is expected to cross USD 300bn in FY23 (all-time high).

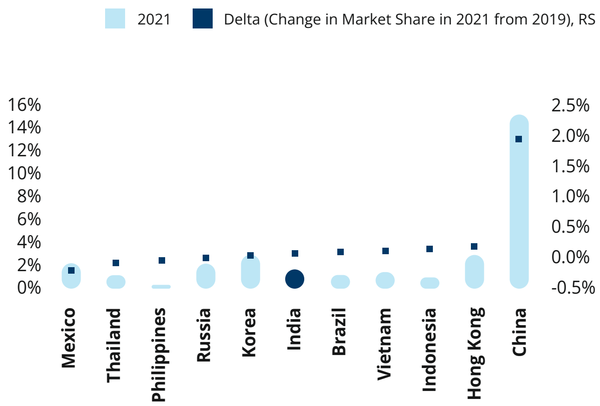
India growing exports a key driver for economic momentum



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

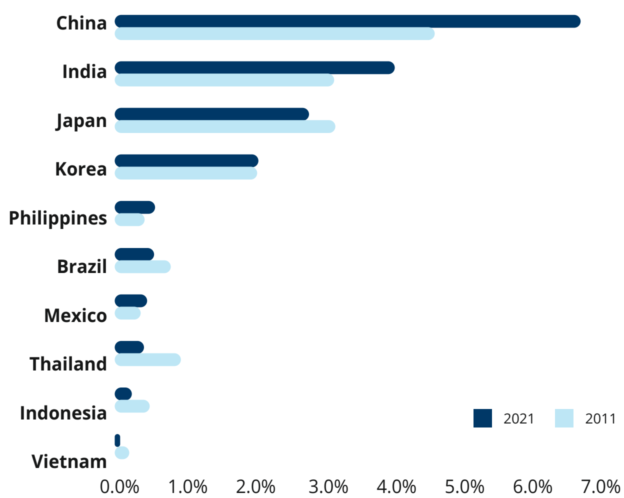
Management Discussion and Analysis

India's global Merchandise Exports Market Share. India has gained 0.1% market share in 2021 vs 2019



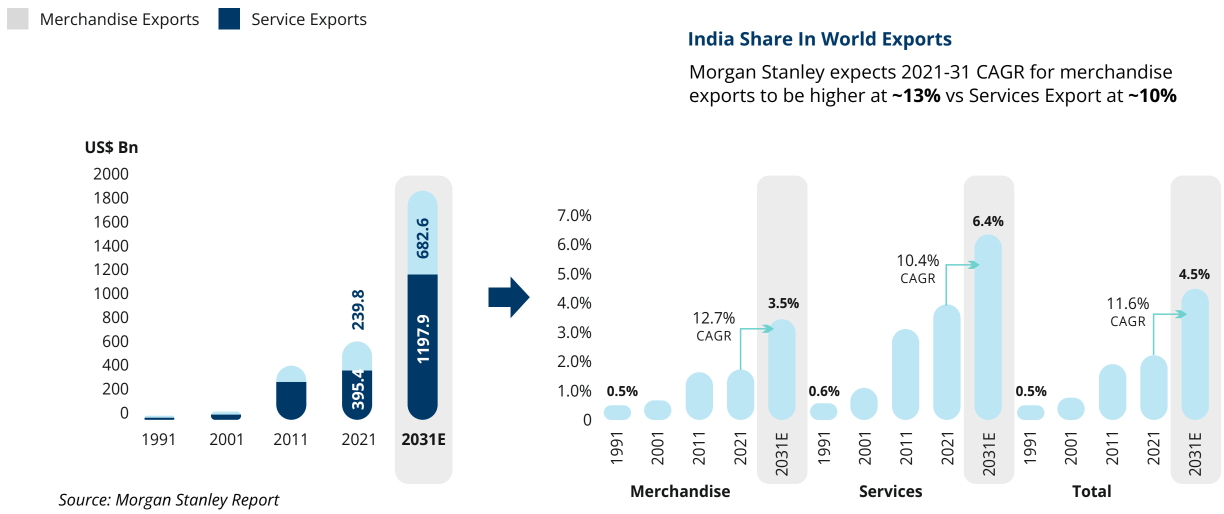
Source: WTO, Morgan Stanley Research

Increase in India's market share of global services exports



Source: Morgan Stanley Report

India's total export market share is expected to increase to 4.5% by 2031 from around 2% in 2021

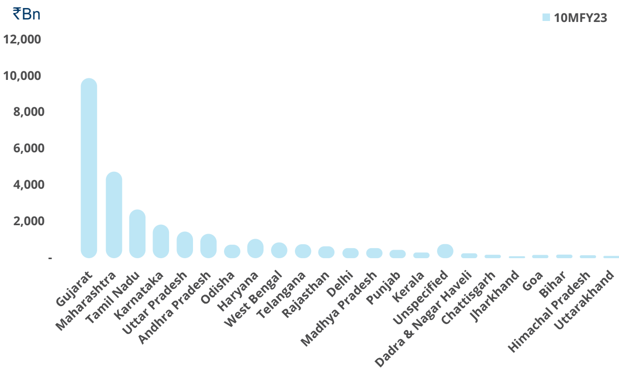


Source: Morgan Stanley Report

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 FY23 (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.

Management Discussion and Analysis

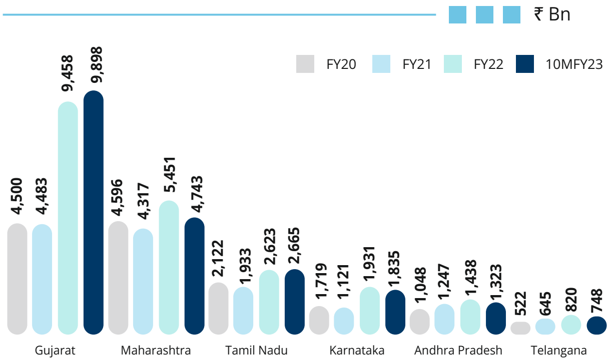
States with more than ₹5,000 Crores of Exports in 10MFY23 (22 Nos)



Source: Government of India

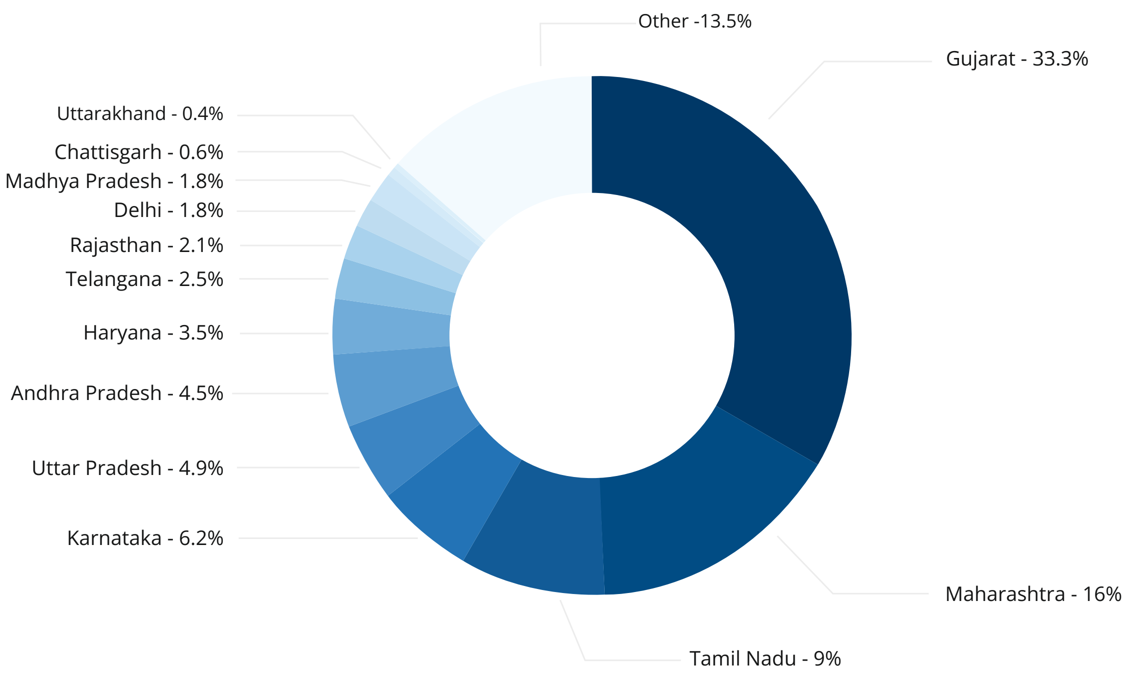
HomeFirst focused 6 states have higher concentration in Total Export Mix (Average of 65% during FY20-22, 71.4% in 10MFY23). These 6 states contributes 78% of business (new origination) for HomeFirst in FY23.

Exports in 6 specific states of Homefirst Focus



Source: Government of India

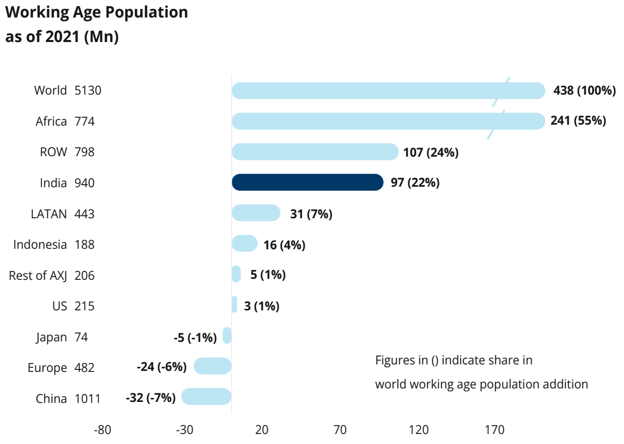
HomeFirst presence of 13 states has 86.5% of India's export share



Source: Indian Government – Ministry of Commerce

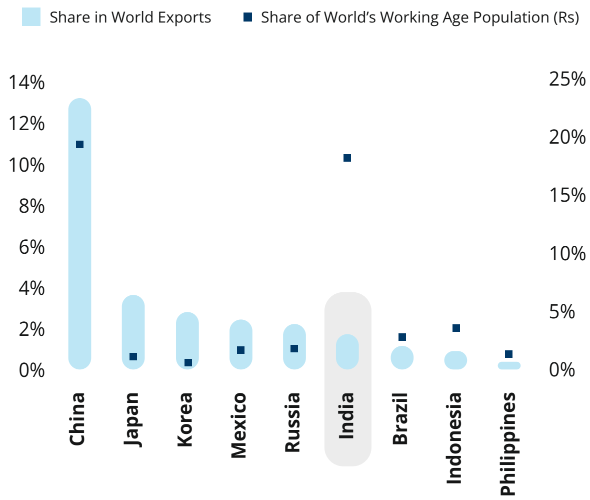
Management Discussion and Analysis

India expected to add 22% of the world's working age population by 2031



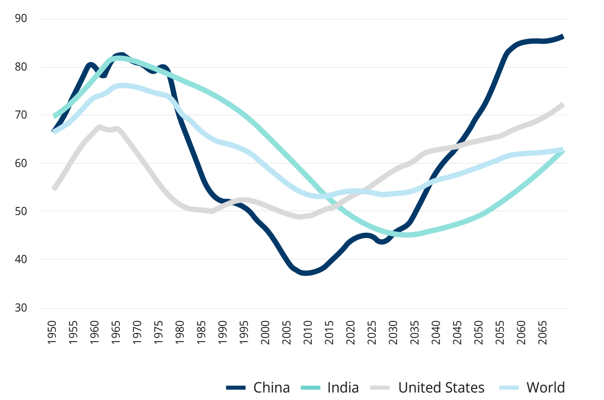
Source: UN Population Database

Share of world exports vs working age population



Source: UN Population Database

India's age dependency ratio will be lower than USA & China till the year 2069



Today, the gap in the share of India in world exports (around 2%) & the working age population (around 11%) is very high vis-à-vis other large peers like China which is in sync at 13% & 11% respectively. With the reforms & export focused policies, this gap is expected to reduce materially.

Gap in Working-age population is small vis-à-vis China of 2007

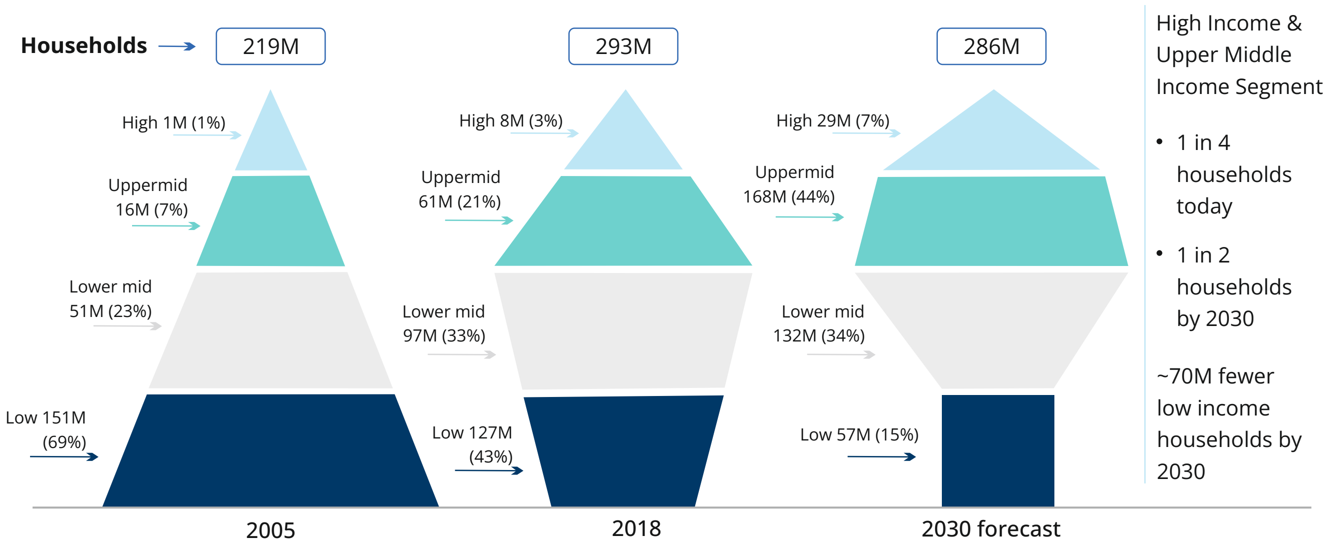
The differing demographic outlook is also one of the key reasons India can still sustain much higher growth rates as compared to China. At the outset, India's per-capita income of US $2084 (FY22) is where China was back in 2007. While this is a 15-year gap, India's median age today is 28, which is 11 years younger than China today. Interestingly, the size of India's working-age population today is also right where China was in 2007. In other words, while there is a gap between the two economies' developmental paths, the gap is smaller when the state of demographics is accounted for.

Management Discussion and Analysis

4. Rise of Middle Class & working-age population

Manufacturing sector driven growth will lead to rising middle class population and provide a secular opportunity for Housing Finance.

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 (<INR 0.25 Mn), Lower-middle- $4k – 8.5k (INR 0.25 – 0.55 Mn), Upper-middle- $8.5k – 40k (INR 0.55 – 2.75 Mn), High: >$40k (>INR 2.75 Mn).
Poverty line at <$2 (< INR 125) per day per person. Household Income per annum at FY18 prices.

Perfect combination of rising Middle class + high working-Age Population

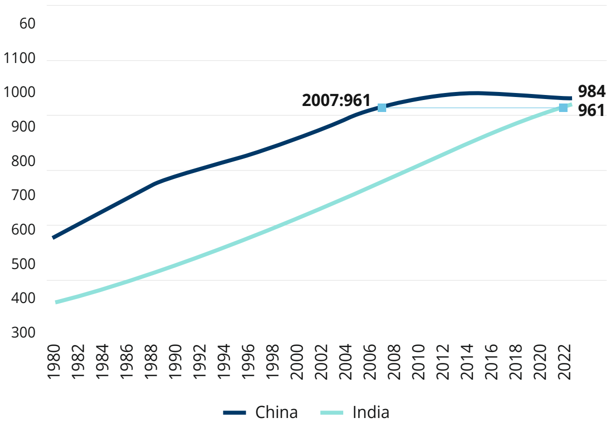
The demographic dividend of a young population combined with a large middle class amplifies the attractiveness of India's growth potential. India's age dependency* has been declining since the 1970s and is expected to continue declining until 2040. According to UN estimates, by 2030 India will emerge as one of the largest suppliers of labor, accounting for almost 22% of the increase in the global working-age population. The growth rate for India's working-age population is expected to remain higher than the world average (ex-India) through 2038. A higher share of working-age population relative to dependents creates an opportunity to accelerate economic growth through the creation of productive job opportunities. UN projects that India's working-age population will continue growing until 2050 whereas China's working-age population has been in decline since 2015.

**Age dependency ratio is the ratio of dependents--people younger than 15 or older than 64--to the working-age population--those ages 15-64.*

Management Discussion and Analysis

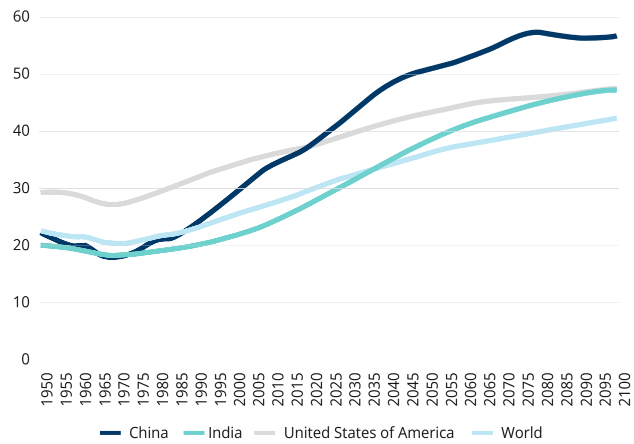
India's working age population saw increase whereas China's working age population stagnant

Working Age Population (mn)



Source: Haver, UN, Morgan Stanley Research

China's median age rising faster than India

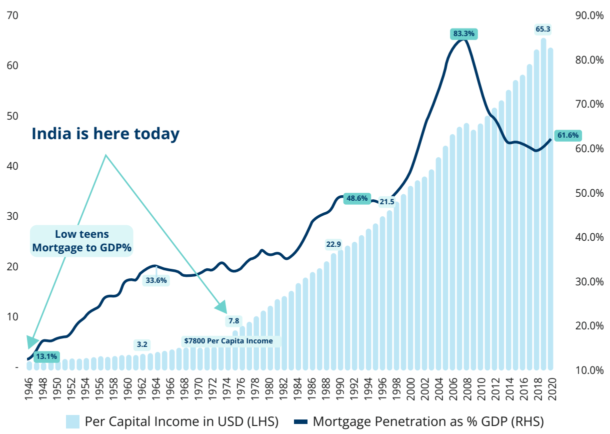


Source: UN

5. Per Capita Income analysis and correlation with Mortgage to GDP

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 capita income in the USA was at similar levels as where India is 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. USA's per capita income has strong correlation with mortgage to GDP since then.

Increasing per capita income helped increase mortgage penetration in USA



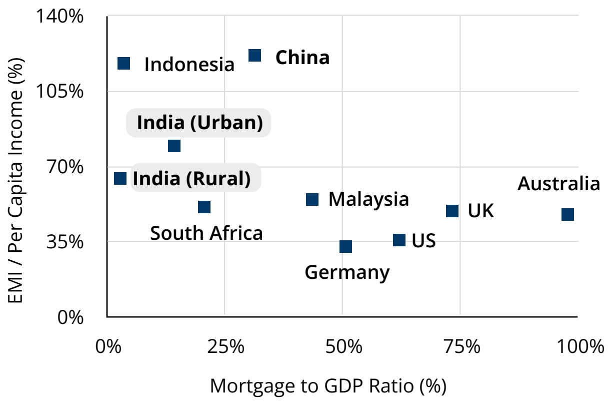
Source: World Bank & US Federal Bank

As income rises, the share of EMI on Household income also reduces. As shown in the chart below from HDFC Securities, the mortgage penetration is higher in Australia, UK, US, Germany, etc where the per capita income is higher vs other countries and the mortgage penetration is also higher.

Management Discussion and Analysis

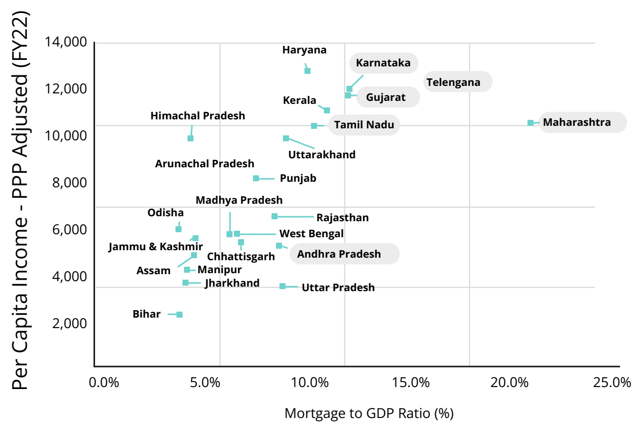
Similar is the observation if we analyse various states in India. Higher Per Capita Income have high correlation with mortage penetration. Maharashtra, Telangana, Karnataka, Gujarat, Kerala, Haryana, etc are high GDP states and also have high mortgage penetration. Our strategy is to target these states and hence decided to focus on 6 specific large market of Maharashtra, Gujarat, Tamil Nadu, Karnataka and AP&T.

Low EMI component drives High mortgage penetration



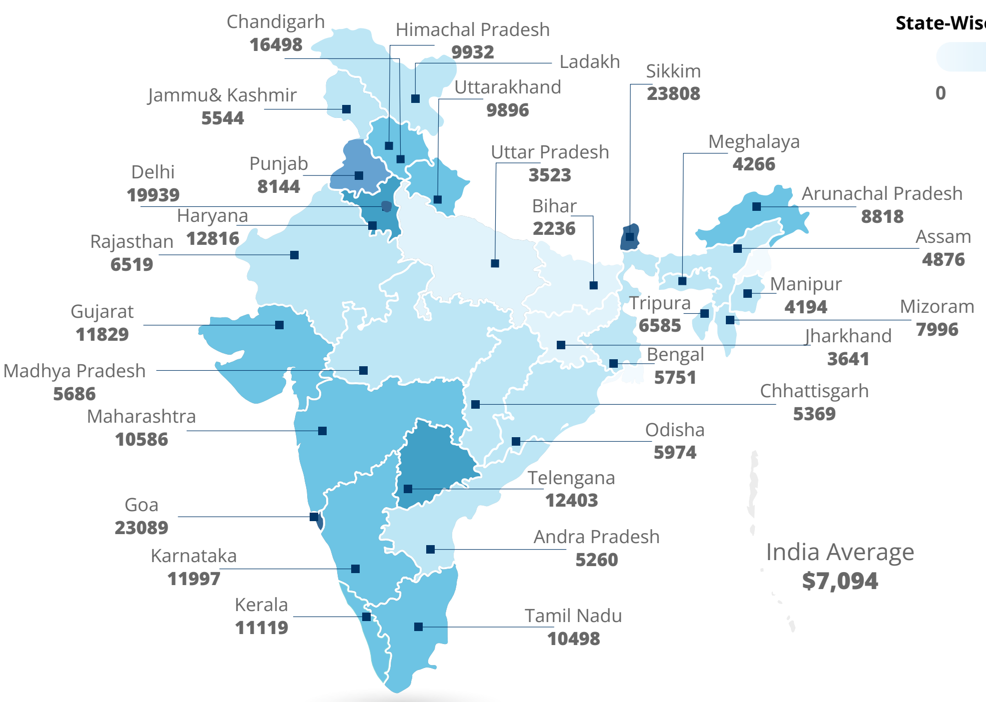
Source: RBI

India's state re-presentation on Mortgage to GDP vs Per Capita Income (FY22)



Source: NHB & Company workings

India's State Representation on Per Capita Income ($PPP Adjusted) FY22



We believe the rising middle class with a rising working-age population will drive income. As we have seen in US, rising Per Capita Income supports rising mortgage penetration. We can expect the penetration to rise from current level of 11% to atleast double in the next decade.

Source: Company workings

Management Discussion and Analysis

6. Digital Leapfrogging - IndiaStack to drive efficiency & productivity gains, drive long term economy growth

IndiaStack is digital transformation of Indian economy at population scale. It is the collective name of a set of commonly used Digital Public Infrastructure (DPIs) in India. It consists of three different layers—unique identity (Aadhaar), complimentary payments systems (Unified Payments Interface, Aadhaar Payments Bridge, Aadhaar Enabled Payment Service), and data exchange (DigiLocker, Account Aggregator, Open Credit Enablement Network (OCEN), Open Network for Digital Commerce (ONDC), etc). Together they enable online, paperless, cashless, and privacy-respecting digital access to a variety of public and private services.

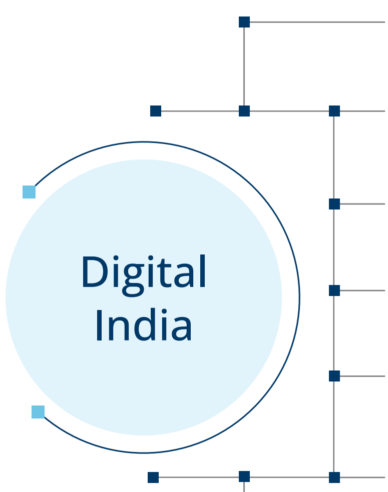
This has changed the way India processes documents (especially official ones), invests, and makes payments. It is India's highly inclusive and transaction-led model. IndiaStack provides interoperability, democratizes data and is decentralized.

In under a decade, nearly 100% of the country's population has been given a digital identity, something which is now powering a digital revolution providing tremendous efficiency gains in both public and private sectors.

High penetration / increasing usage of DPIs:
1.Aadhar ID issued for 1.37bn out of 1.4bn population (almost 98% penetration)
2.UPI has more than 50% share in total payments, rising from around 24% few years ago

Outcome has benefited HomeFirst and many other players with tech stack. We believe that companies with better technology capabilities backed by talented workforce and strong leadership will witness superior business 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 scalability and profitability for the company. Digital payments have evolved from being viewed as a cost centre to a revenue centre and will be a key lever for customer acquisition in the near future.

The Components of Digital India

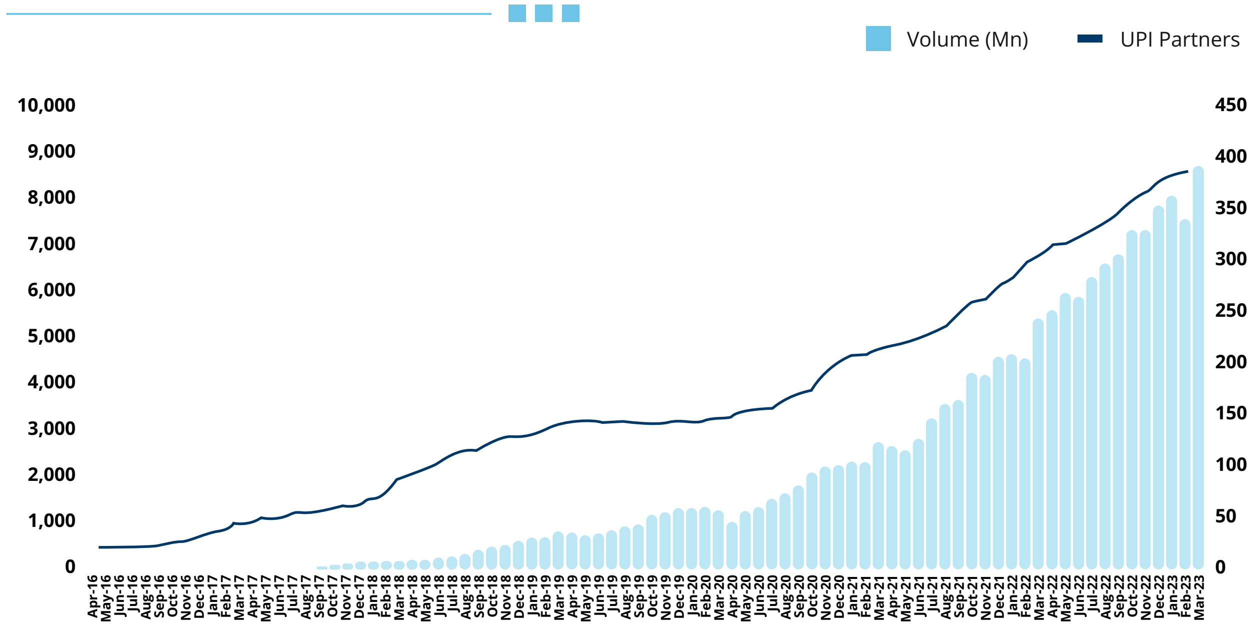


Aadhar UID	12-digit unique identifiable number based on biometric and demographic data *1,32 bn Aadhar cards have been issued as of Oct-21*
e-KYC	Paperless KYC process, verifying subsciber's identity and address electronically through AADHAR *13 bn transactions as of Sep-22*
UPI	Enables all bank account holders to send and receive money instantly using smart phone, without bank account information *₹11.1 tn worth of transactions as of Sep-22*
e-RUPI	Prepaid vouchers delivered to beneficiary mobile phones in an SMS string or a OR code, ensuring access to welfare benefits for the unbanked population.
Digilocker	Platform for issuing and verifying documents digitally using cloud storage linked to Aadhar *127.8 mn users registered as of Sep-22*
GSTIN	Unified indirect tax administration platform for the entire country to handle invoices. returns, registrations and payments *13.9 mn business registered as of Aug-22*
Direct Benefit Transfer	Direct transfer of cash pr in-kind benefits and subsidies to citizens living below poverty line *₹24.6 tn of cumulative transfer as of FYTD23*

Source: Various.

Management Discussion and Analysis

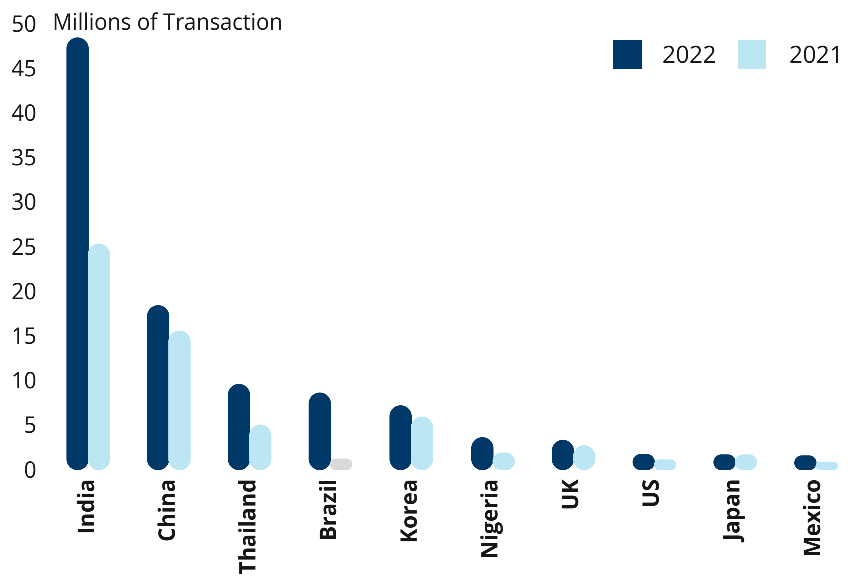
Strong growth on UPI Payment Method



Source: NPCI's Retail Payments Statistics on NPCI Platforms

As per ACI Worldwide Report on Digital Payments, Real-Time Payments is expected to add 1.12% of India's GDP by 2026. This is facilitated through net savings for businesses and consumers of $92.4 billion helping generate an additional $45.9 billion of economic output which is 1.12% of GDP by 2026.

Volume of real-time digital payments of India vis-à-vis other major countries (Transaction in Mns)



Source: ACI Worldwide

Management Discussion and Analysis

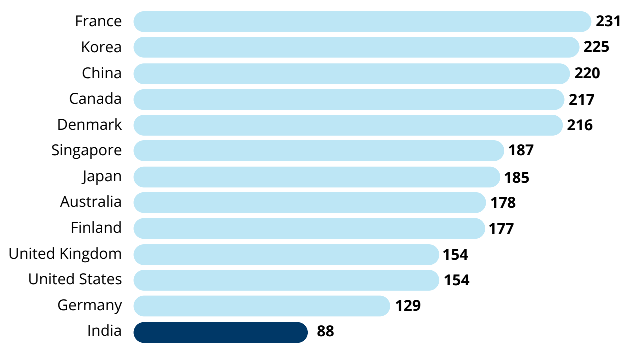
7. Major Demand Drivers

Indian Housing Demand Scenario & Housing Finance Opportunity

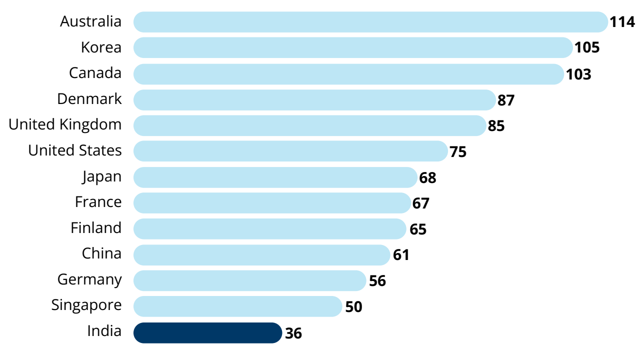
Credit Penetration in India is lower vs other peers, Housing penetration is one important trigger for increasing this number. Household credit* penetration is at 36% which highlights that housing penetration is likely to be even lower and hence, the large opportunity.

Total Credit Penetration & Household Credit Penetration of India vis-à-vis peers as % of GDP

Total Credit Penetration as on Sep-22



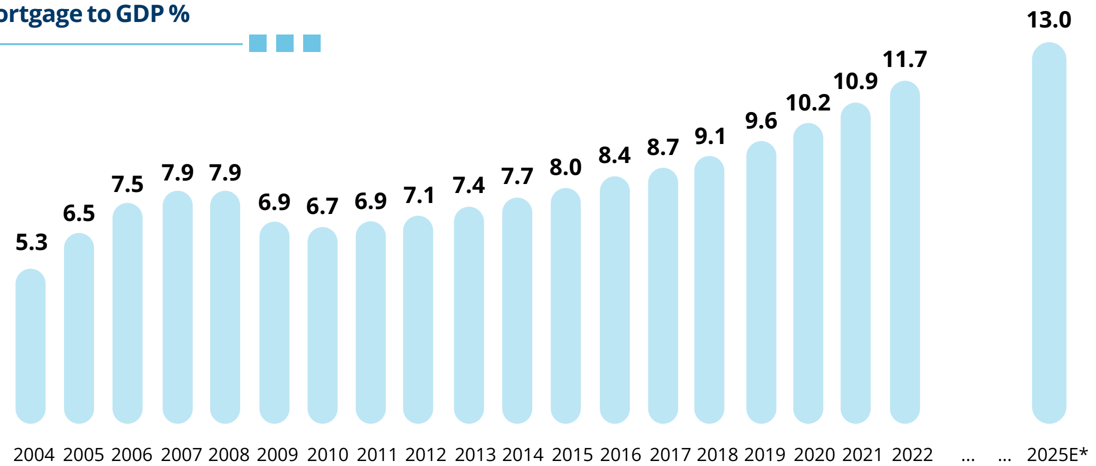
Household Credit Penetration as on Sep-22



Source: Bank of International Settlement.
**Household credit is the credit includes credit extended by lendinginstitutions to households.*

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

India Mortgage to GDP %

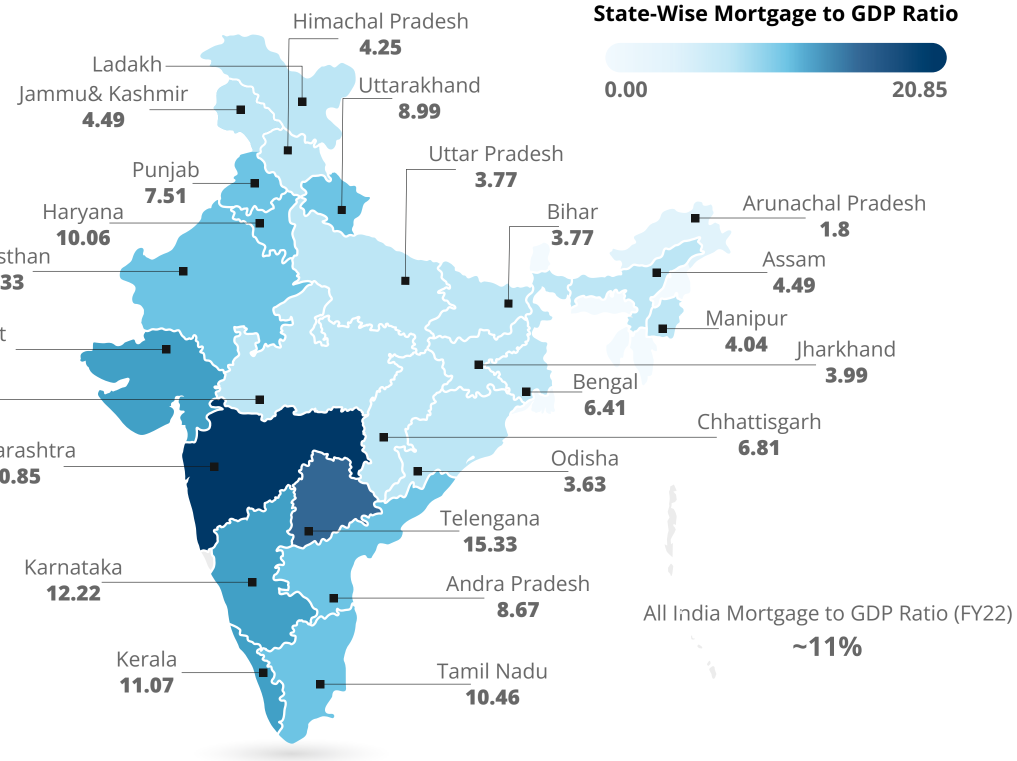


*Source: CSO, RBI. * KPMG Projection.*

Highly Industrialised / Urbanised centers have high mortgage to GDP ratio and we believe it will continue as housing ecosystems are developed around these Centers. Also, reforms in other states will propel the housing ecosystem driving mortgage finance.

Management Discussion and Analysis

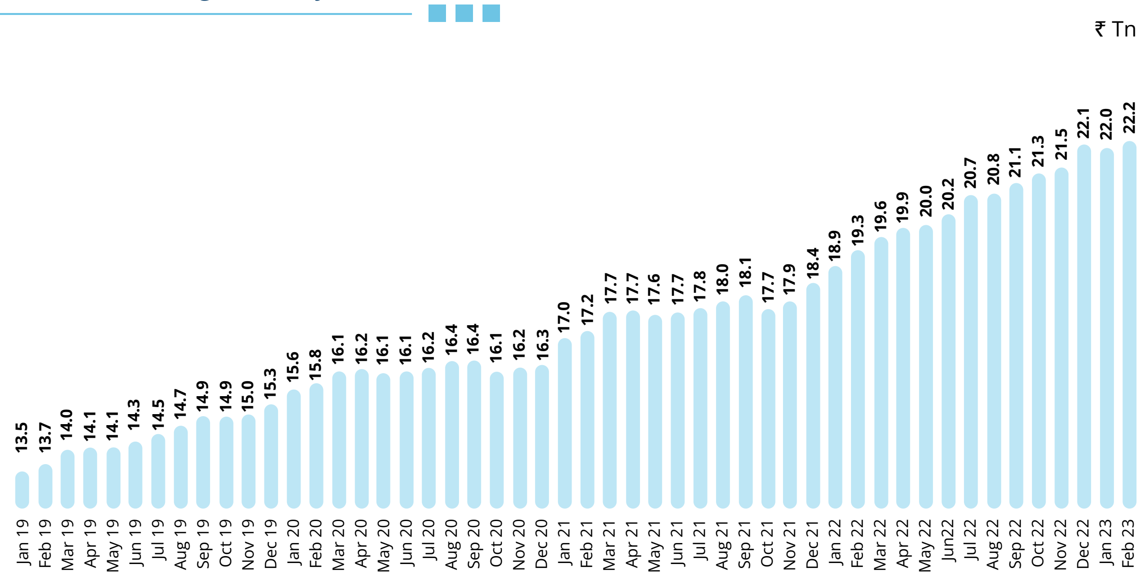
India's state-wise's Mortgage to GDP ratio



Source: National Housing Bank FY22 Annual Report

Housing Loans contributes a small share of overall credit in the system, this is one sector which can increase the overall credit penetration in India. Bank's Credit to Housing sector (directly to individual customers + on-lending vis HFCs) witnessed growth of 12.9% CAGR over 4 years from 2019 to 2023

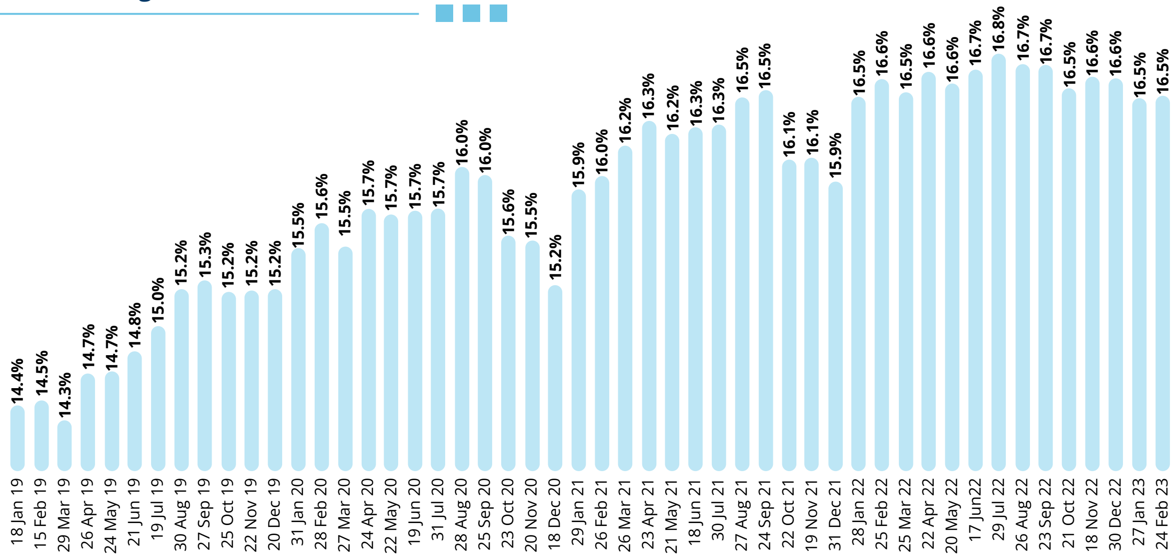
Total credit to Housing sector by Banks



Source: RBI

Management Discussion and Analysis

Share of Housing in total bank credit



Source: RBI

Strong growth potential in Housing Finance

India's real estate sector, which is a $200-billion market currently, has come out of the disruptions caused by the Covid and is on the path to become a $1 trillion industry by 2030 (as per NARDECO & EY report). With growing urbanization, 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.

As per Experian, the overall affordable housing outstanding credit growth grew at a CAGR of ~12% during Mar'18-Dec'22. 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 ~ ₹10 trillion as on Dec'22 and as per various research, it is projected to grow by at least 15% CAGR in the medium term to touch ~ ₹28 trillion by FY30. In volume terms, affordable housing loans comprises majority of overall housing loan volumes.

As per our analysis, there is demand of 2mn units in a year for housing ticket size between ₹0.5-2.5 Mn. We believe, for HomeFirst, assuming ₹1.07 Mn (with inflation of 5% p.a) as average ticket size, there is an opportunity for housing finance of USD 336 Bn over next 10 years for our target segment in core affordable housing business.

Management Discussion and Analysis

Bank's share increases in the prime segment

It is witnessed that banks and large HFCs are focused on high ticket size loans which is evident from the rising share of >25 Lakh ticket size loans. This creates a huge opportunity for players like HomeFirst who can add value for loans with ticket-size less than ₹ 2.5 Mn.

Banking Sector's Outstanding Housing AUM Mix in in various ticket size (in %)

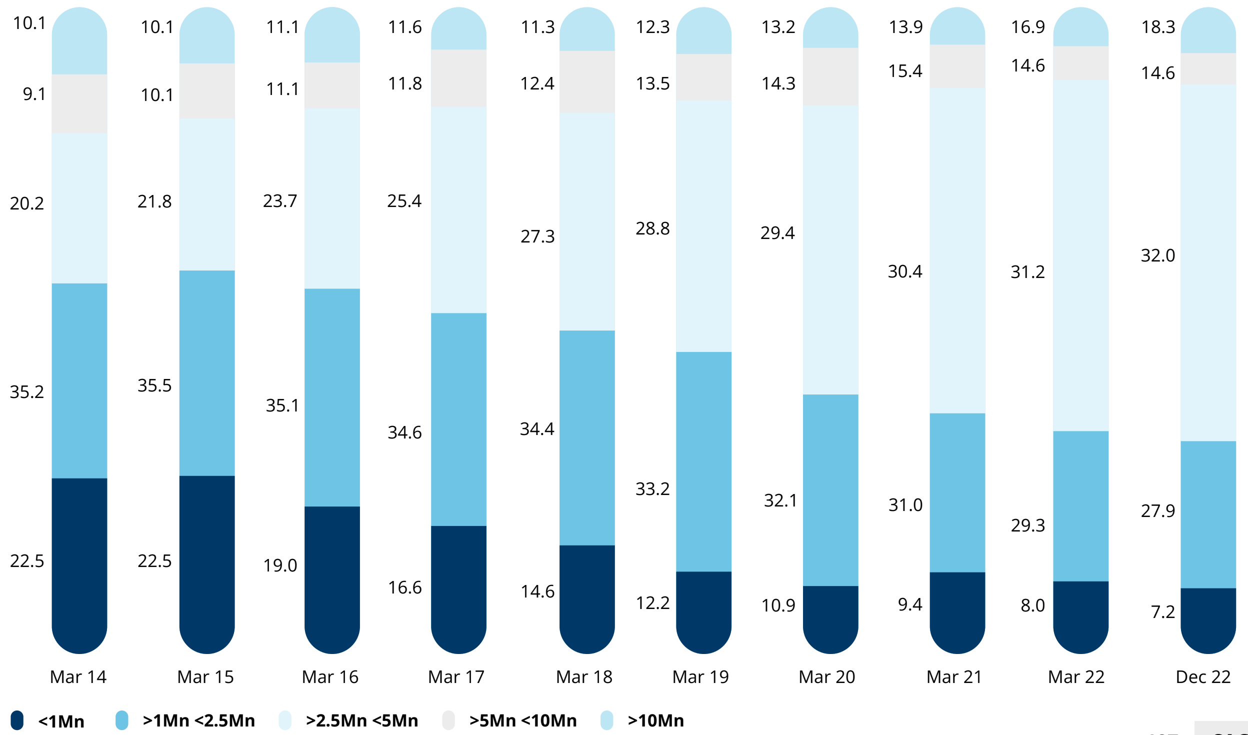
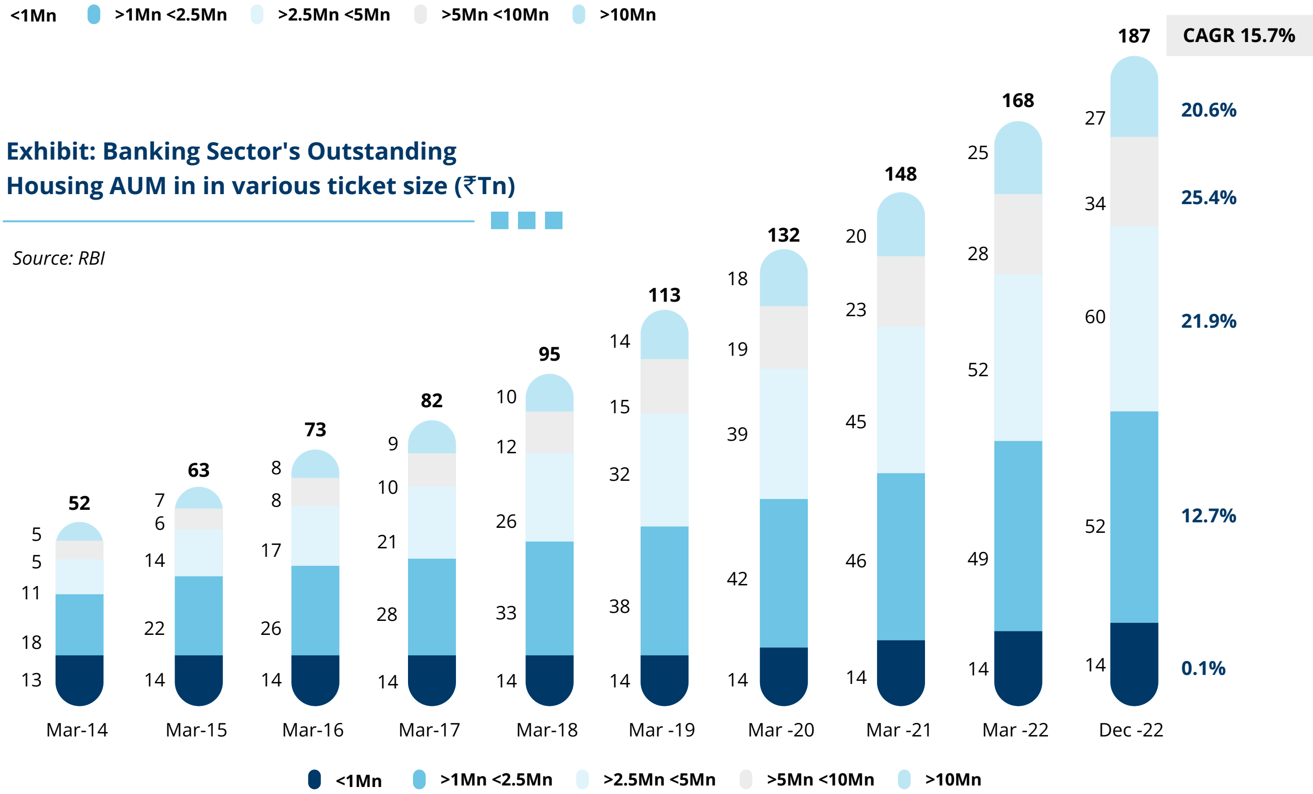


Exhibit: Banking Sector's Outstanding Housing AUM in in various ticket size (₹Tn)

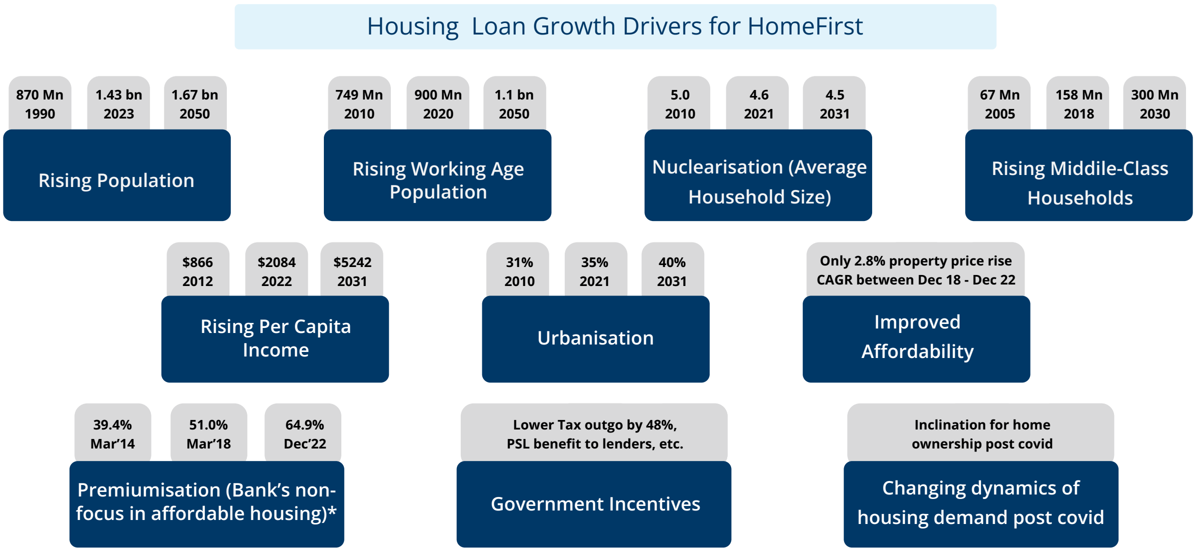
Source: RBI



Management Discussion and Analysis

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 benefiting housing finance business.

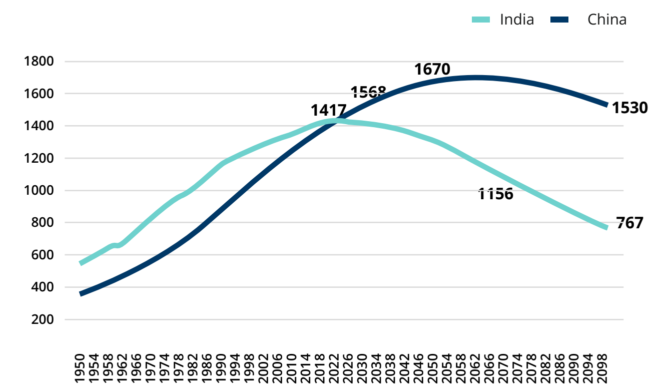


**Banks share in ticket size above ₹ 2.5 Mn.*
Source: Various

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 around 1417 Mn Crs which is expected to rise to 1568 Mn by 2035 and 1670Mn by 2050. This is one of the key drivers to rising housing demand potential in the country.

Exhibit: India's growing population (in Mn)



Source: UN Population Database

Covid led to change in house ownership dynamics:

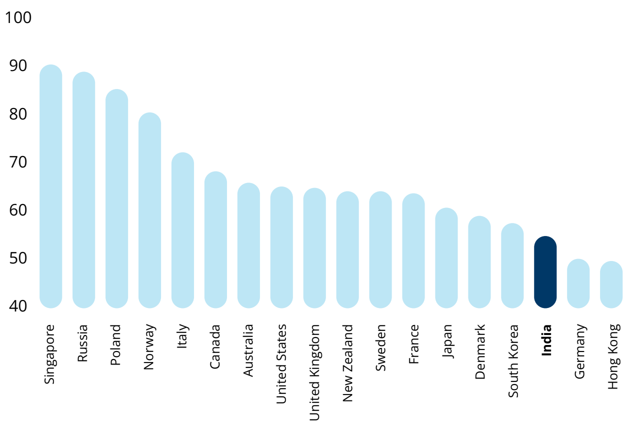
As per various surveys, reverse migration has further supported an increase in housing demand in tier II/III cities. This is validated by the strong recovery seen in Real Estate sector post in the past 2 years. Also, as per experts, the demand dynamics of the Indian real estate have undergone a change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

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.

Management Discussion and Analysis

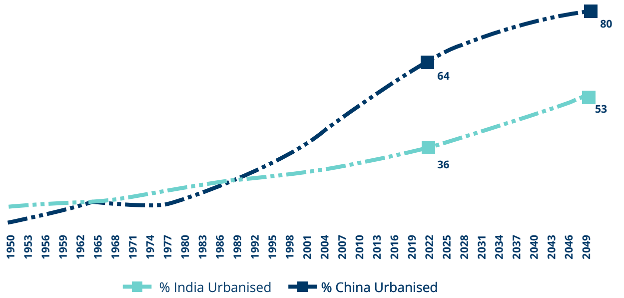
Home Ownership Comparison Between Major Countries (%) (Year 2020)



Source: Trading Economics.com & Knight Frank

Urbanisation:

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.

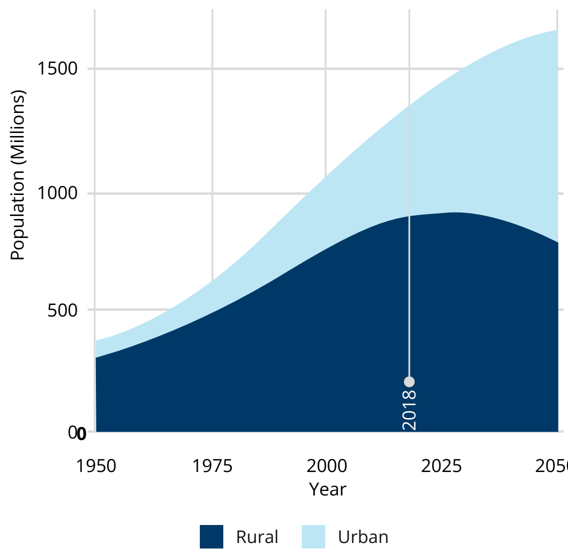


UN expects India to have more cities due to rapid urbanization. This will help build ecosystem and opportunity for housing sector

Urban population by size of urban settlement

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

Urban and rural population in India



Management Discussion and Analysis

Rising Per-capita income & its strong linkage with mortgage penetration as explained earlier on Page no. 93

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 4.6 persons in 2021 and will further reduce to 4.5 by 2031 as per Morgan Stanley.. Nuclearization is also expected to drive housing demand.

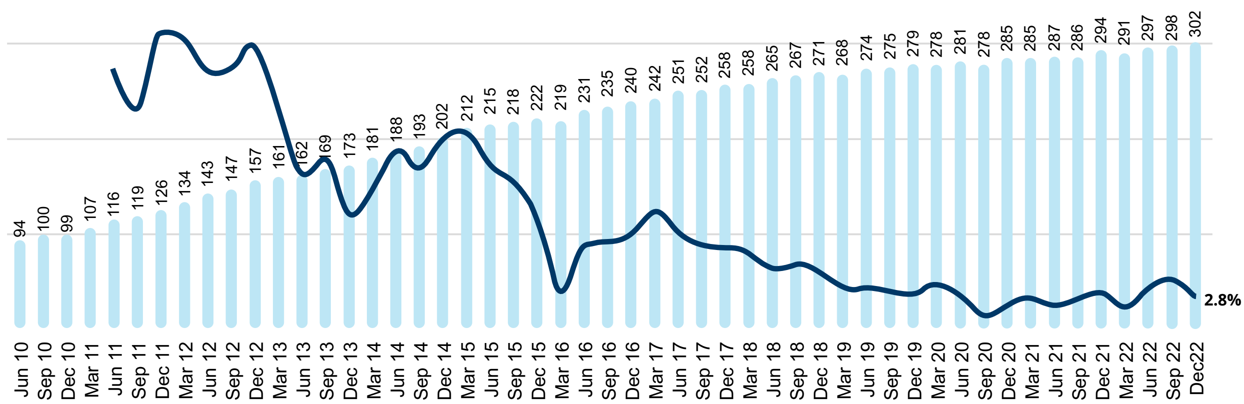
Working Population led Economic growth

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.

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, the housing demand is expected to continue to be strong.

RBI House Price Index



Source: RBI

HPI   Yoy Increase

8. Conclusion

We believe that there are various factors at play for the growth of housing sector and its finance through mortgage. India's will have highest GDP growth amongst large peers and this is expected to sustain from structurally strong policy reforms. These reforms will continue to result in higher manufacturing sector growth and exports helped by FDI flows. This economic momentum will drive higher working-age population and create more middle-class households. Globally, Per Capita Income growth has led to higher mortgage penetration and India will witness the same over the next few decades. We believe, your company HomeFirst is placed at the right spot to benefit from these reforms and we are working on our to mission of being the Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency.

Management Discussion and Analysis

Our Performance Overview

During FY23, HomeFirst continued scaling up and maintained its growth momentum with an increase of 33.8% in AUM over FY22. Further, we registered a growth of 48.4% y-o-y increase in annual disbursements. Our annual disbursal for the year 2016 was ₹277 Crs - which is close to our disbursal for the month of Mar'23. This robust growth was possible on account of the focus on distribution in core markets, strong liquidity position, risk management processes and increased use of technology across the processes. This focus has translated into best in class return on assets of 3.9% (Mar'22 :3.6%) and return on equity of 13.5% (Mar'22 :11.8%). Gross Stage 3 (GNPA) stands at 1.6% in line with the RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 0.9%. The corresponding figures for Mar'22 are 2.3% post-RBI circular and 1.3% prior to circular.

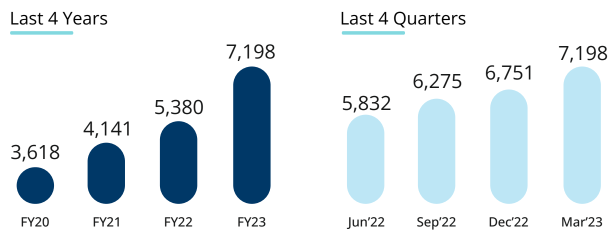
Let us examine the building blocks of our growth story for the fiscal year ending 2023.

Assets Under Management

Our AUM increased from ₹5380 Crs as of Mar'22 to ₹7198 Crs as of Mar'23 - a y-o-y growth of 33.8% (36.6% prior to CLSS subsidy). We crossed another milestone of ₹7000 Crs AUM. We have multiplied by 8.5X in a 5-yr span of 2017 to 2023. This shows our ability to meet customers' demands and improve our market share across our focus markets while maintaining our portfolio quality.

We are committed to driving our growth pan-India and reducing any concentration risk. We started with a presence in 98 districts at the beginning of the year and have grown our reach to 119 districts at the end of the fiscal year 2023. Our core states remain Gujarat, Maharashtra, Tamil Nadu, Telangana, Andhra Pradesh and Karnataka. For 9MFY23 these states comprise more than 50% of total affordable housing finance market in the country. HomeFirst has shown growth in these states over the years (see table below). Our contiguous expansion in these markets is facilitating us to reach our long-term target of 10% market share in each of these markets in due course of time.

Assets Under Management (₹Crs)



AUM in States	FY17	FY20	FY23	CAGR
Gujarat	280	1438	2343	42%
Maharashtra	310	785	1037	22%
Tamil Nadu	80	360	988	52%
Telangana	9	176	639	104%
Andhra Pradesh	-	47	322	89%
Karnataka	76	325	539	39%

CAGR is for 6 years from FY17 to FY23 for all the above states except Andhra Pradesh

Management Discussion and Analysis

Geographic Presence

We ended the year with 265 touchpoints and having a presence in 119 districts spreading over 13 states/UT. The Top 200 districts comprise of 82%* of the total affordable housing finance market in India. HomeFirst present in 101 of these 200 districts. Our expansion strategy focusses on presence in large affordable housing markets in Tier 1, Tier 2 and Tier 3 markets. The distribution is granular and branches / touchpoint expansion is done in a calibrated manner - ensuring market capture as well as asset quality, productivity and operating costs. We have stuck to our tried and tested strategy of contiguous expansion across regions by evaluating areas with high economic growth and substantial demand for affordable housing finance, along with industry portfolio-at-risk and socio- economic risk profile. This approach has helped us to reach 36 physical branches in 6 years by 2017, and thereon the number of branches grown 3x in the next 6 years by 2023 to touch 111 physical branches.

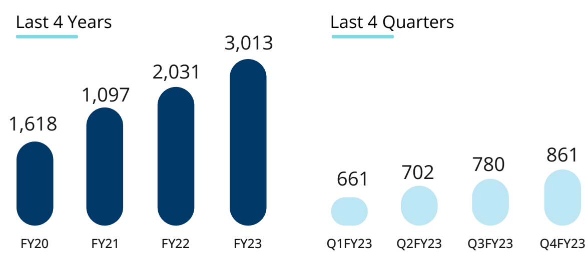
**5-25L Ticket Size*

For our presence across India, please refer to Geographic Presence on pg no.11

Disbursements

During the year, we have been successful in growing our disbursements month on month! We have exhibited a steady increase in loan disbursements with a growing customer base and a healthy loan portfolio. This is possible on account of the strategic expansion of our branch network, the introduction of innovative loan products, and Best-in-class tech stack to enhance operational efficiency and customer experience. Disbursements crossed ₹3000 Crs during the year.

Disbursement (₹Crs)

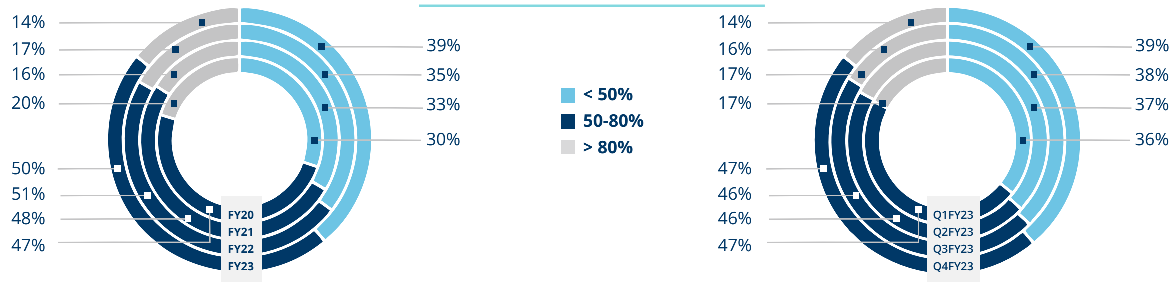


Product Metrics

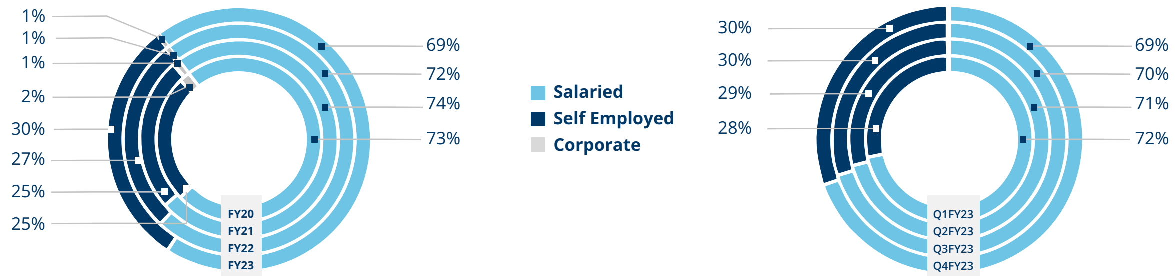
Our product metrics continue to focus towards salaried customers having credit history. Our approach to LAP is cautious and bulk of our LAP customers are quasi home loans and for self use. We continue to carefully monitor our risk profile and continue to have low under construction properties exposure. Our LTV at the time of sanction stands at 56%.

Management Discussion and Analysis

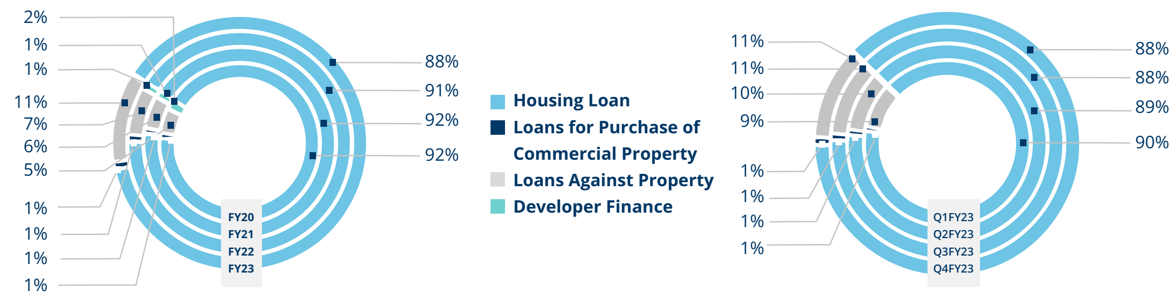
Loan to Value (LTV) - Based on AUM (Live Book)



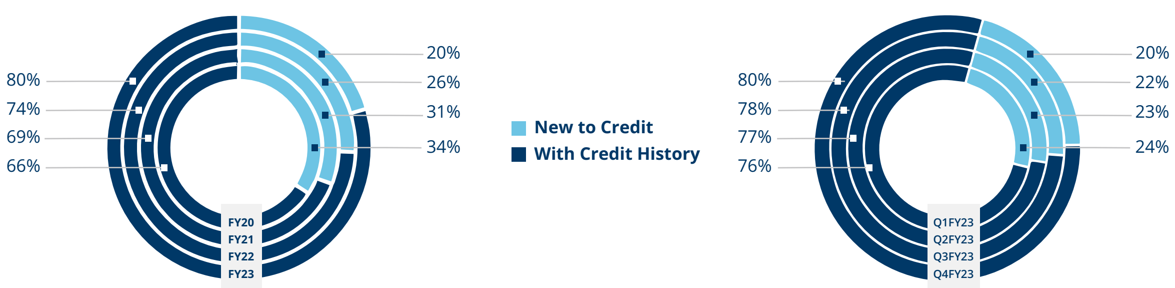
AUM by Occupation



AUM by Product



AUM by Credit History



Loan to Value

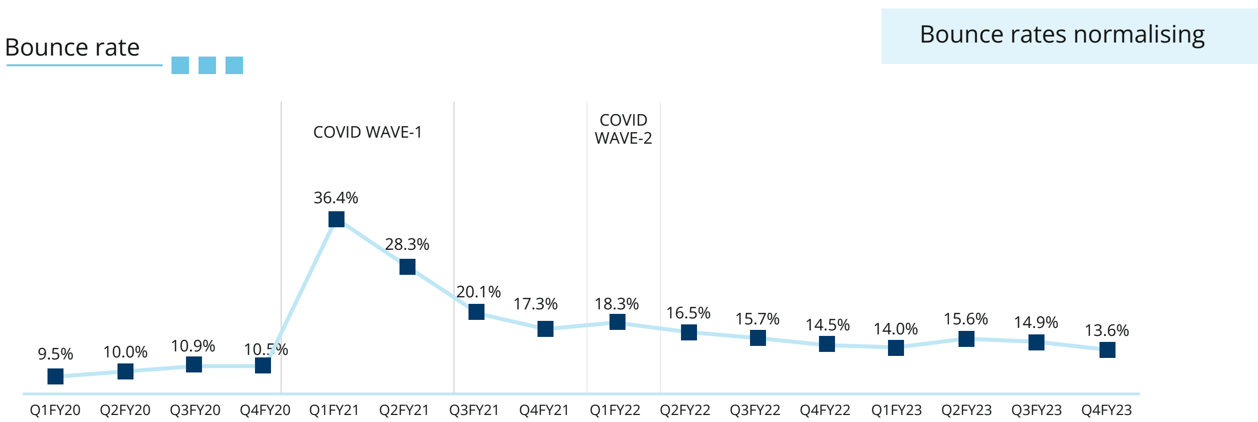
Management Discussion and Analysis

Credit Approval & Disbursement Process

Step 1: Initial Screening and Pre-Sanction Check	Step 2: Customer Credit Underwriting	Step 3: Property Underwriting & disbursement process	Step 4: Loan Collection and Monitoring
1. Customer leads are logged into the system 2. Each lead checked against KYC, credit bureau and third-party database checks 3. Workspace and residence verifications undertaken by RMs 4. Loan application is submitted on central platform 5. Centralized credit underwriting is then conducted	1. Centralized underwriting team is assisted by data science backed customer-scoring model 2. Integrated customer relationship management and loan management system allow our underwriters to conduct the credit appraisal process in a quick and efficient manner. 3. Third-party databases along with proprietary machine learning credit scoring models to assist us with our credit assessment process.	1. Collateral value is assessed at the time of sanctioning as well as disbursal 2. Legal and technical assessment through third party vendors is initiated to verify the authenticity of the technical documents. legal title to the collateral property and its market value. 3. Our proprietary ML 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.	1. Robust collection management system with prescribed collection at each stage of severity of default. 2. We can track status of installments collected on a real time basis through a collection module 3. Customers are reminded of their payment schedules through automated calls and text messages 4. Our collection process is completely managed by our branch teams and a significant portion of our employee incentives are dependent on collections.

Asset Quality: Healthy Leading Indicators

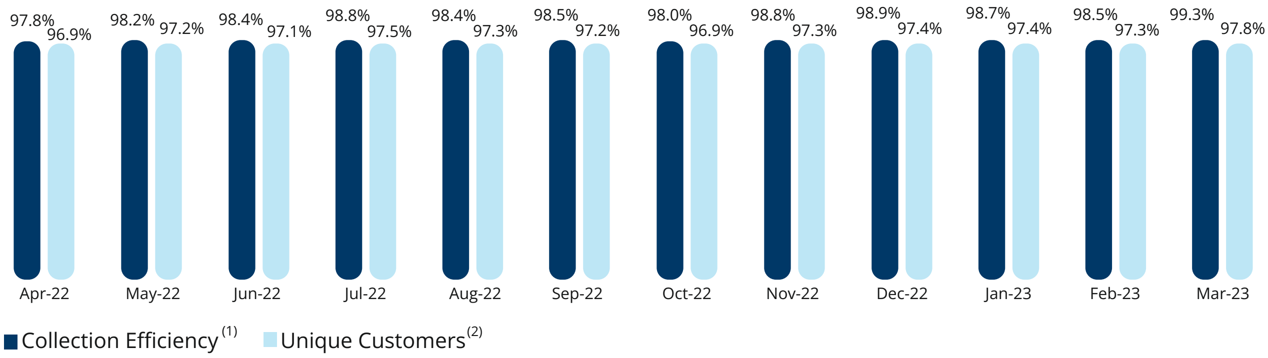
Our bounce rates have been continuously improving and are inching towards pre-covid numbers. Collection efficiency has also remained high consistently .



Management Discussion and Analysis

Collection Efficiency

Collection Efficiency trending back to normal levels



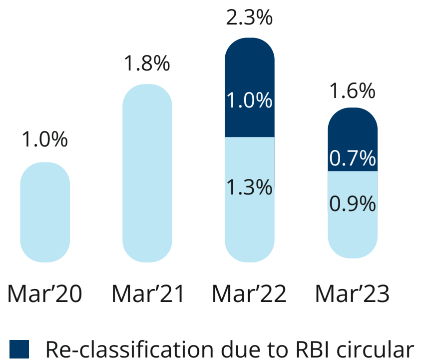
(1) Collection Efficiency =Total #of EMIs received in the month (including arrears of previous months) / Total #of loan accounts whose EMIs are due in the month

(2) Unique customers =#of customers who made at least one payment in the month / Total #of Customers whose EMIs' are due in the month

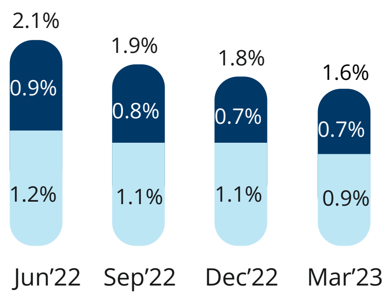
We continued our relentless focus on early bucket collections. Also, we have provided the feature to our customers to make the payments via app as well as through remote payment links. This has made the process of making payments much easier for our customers and is reflected in our collections strength. This has given results by bringing down our 1+ DPD as well as 30+ DPD. Our 30+ DPD metrics are amongst the best in the industry. Additionally, the improving trend in bounce rate and strong collection efficiency has resulted in controlling our GNPA % to 1.6% in Mar'23. This has improved by 70bps compared to our GNPA levels at Mar'22 which stood at 2.3%. Prior to RBI circular, our GNPA % for Mar'23 stands at 0.9% (Mar'22 is 1.3%). Our Stage 3 Provision Coverage Ratio stands at 59.5% (104.8% pre-RBI circular) as at Mar'23 compared to 47.1% (83.6% pre-RBI circular) as at Mar'22.

Gross Stage 3 / POS (GNPA) %

Last 4 Years



Last 4 Quarters



Management Discussion and Analysis

Our Financial Performance:

Particulars (₹Crs)	FY23	FY22	YoY%
Interest Income on term loans	682.50	477.04	43%
Net gain on DA	38.04	67.83	-44%
Non-interest income	75.06	50.82	48%
Total Income	**795.60**	**595.70**	**34%**
Interest on borrowings and commercial papers	303.26	214.82	41%
Net Interest Income	**379.24**	**262.23**	**45%**
Net Total Income	**492.34**	**380.89**	**29%**
Operating Expenses	175.60	129.57	36%
Credit Cost	21.52	25.02	-14%
Profit before tax	**295.22**	**226.30**	**30%**
Tax expense	66.93	52.21	28%
One-time adjustment	-	-12.01	
Profit after tax	**228.29**	**186.10**	**23%**
Adjusted PAT	**228.29**	**174.09**	**31%**
Basic EPS	**26.01**	**21.26**	
Diluted EPS	**25.20**	**20.54**	

Key Financial Ratios

Particulars (₹Crs)	FY23	FY22	Variance
Profit after tax on average total assets (ROA)	3.9%	3.6%^	+ 30 bps
Leverage (Average total assets/average Equity or average Net-worth)	3.5	3.3	
Profit after tax on average equity or average Net-worth (ROE)	13.5%	11.8%#	+170 bps
Cost to Income Ratio (Operating Expenses / Net Total Income)	35.7%	34.0%	+170 bps
Operating Expenses / Average total assets	3.0%	2.7%	
Debt to equity ratio	2.6	2.2	

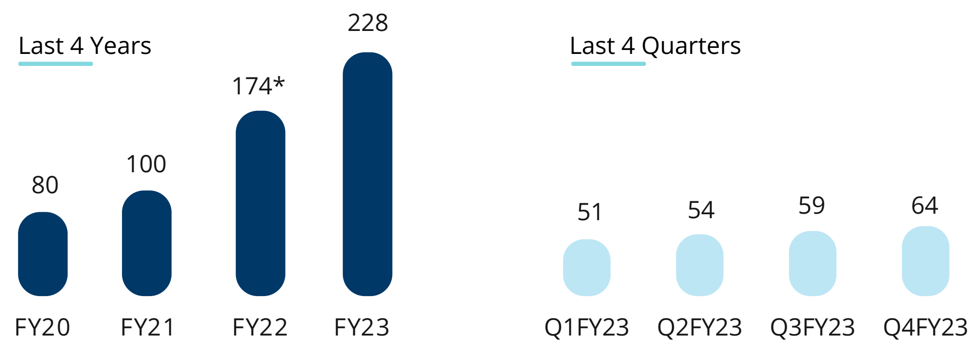
^Adjusted RoA at 3.6% computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment
 # Adjusted RoE at 11.8% computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment

Management Discussion and Analysis

Profit After Tax

Our Profit After Tax increased by 31.1% as compared to previous fiscal year. The key drivers to this growth were strong NIMs, optimal use of cash and judicious operating costs. Our RoE has grown from 11.8% to 13.5% in a span of 1 year. This has been possible due to healthy growth of portfolio book coupled with strong collections.

Profit After Tax (₹Crs)

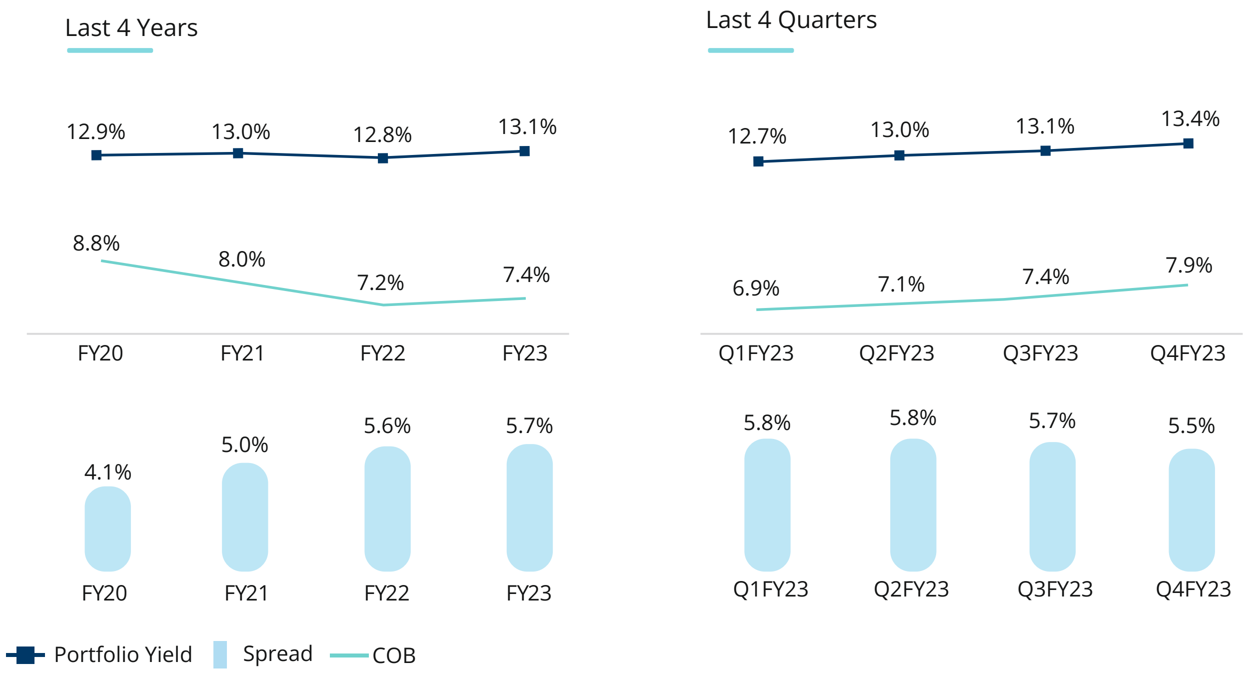


**174 Crs is Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment*

Spread on Loans

Our spreads were consistently above 5.5%. We have implemented 2 repricing actions of 25 bps in Q2 and 50 bps in Q3 totaling to 75 bps in FY23. The repricing and increase in interest earning assets have resulted into increase of "Interest Income on Term Loans to Average Total Assets" to 11.5% in FY23 from 9.9% in FY22. Our cost of borrowing has been competitive at 7.4% and incremental cost on fresh borrowing for the year was 8.2%.

Net Interest Spread Movement



Management Discussion and Analysis

Resource Mobilisation

Shareholders' Funds

Our Shareholders' Funds as of Mar'23 stood at ₹1,817 Crs. The increase was primarily due to increase in retained earnings.

Particulars	₹ in Crs
Opening Equity as on Mar'22	**1,573.68**
Add: Shares issued during the year – represents increase on account of face value for the shares allotted pursuant to ESOPs exercised	0.08
Add: Increase in securities premium on account of premium received on allotment of shares	5.18
Add: Statutory Reserve transfer for the period	45.90
Add: Increase in retained earnings (net off transfer to statutory reserve)	182.40
Add: Option valuation linked credit	10.24
Add: Other Comprehensive Income	(0.14)
Closing Equity as on Mar'23	**1817.34**

ESOP allotment

During FY23, the company has issued and allotted 3,83,064 equity shares pursuant to the exercise of stock options by eligible employees of the company under ESOP plans. Further during the year 1,25,900 ESOPs were granted to the employees under the HomeFirst ESOP Scheme 2021.

Borrowings

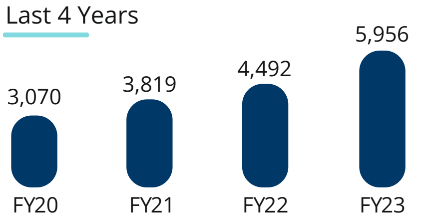
The Borrowings of the company stood at ₹4,813.47 Crs as at Mar'23 as against ₹3,466.77 Crs as at Mar'22. During the year, funding to the tune of ₹3,618 Crs was raised. The Company also placed long term NCD of ₹280 Crs with International Finance Corporation for financing affordable home loans and green homes. The Company's liability profile is well diversified and comprises 26 lending relationships and continues to focus on raising long term borrowing at a competitive rate. During the year we added 5 new banks i.e. Qatar National Bank, J&K Bank, Karnataka Bank, Yes Bank and Shinhan Bank (Seoul based South Korean Bank).

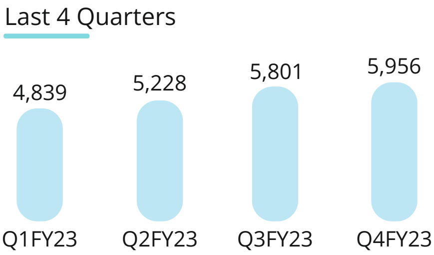
During FY23, the Company had not issued any Commercial Paper or any Short-Term Instrument. Accordingly, the Company's Commercial Paper outstanding was NIL as at Mar'23.

As at the end of Mar'23, we had a liquidity buffer of ₹1,802 Crs – comprising of unencumbered cash and cash equivalent of ₹537 Crs and ₹665 Crs of un-availed sanctions from the banks and ₹600 Crs of un-availed sanctions from NHB.

Total Borrowings (in ₹ Crs)

Includes Direct Assignment and co-lending





Management Discussion and Analysis

Our analysis of Strengths and Weaknesses helps us identify and manage our business risks in a better manner

STRENGTHS

- Strategic selection of markets, deeper and contiguous penetration in large affordable housing finance markets with omnichannel distribution strategy.
- Best in class tech stack to enhance risk management, customer experience and operational efficiency.
- Robust risk management framework coupled with strong collection process and culture.
- Data science-backed underwriting.

WEAKNESSES

- Sensitive to changing interest rates and market conditions.
- Limited brand recognition compared to banks.

THREATS

- Competitive intensity from time to time.
- Any adverse movement in the industry/ macro-economic environment.
- Economic downturns and natural disasters affecting portfolio quality.

OPPORTUNITIES

- Growing demand for affordable housing finance in India coupled with existing low mortgage penetration.
- Demographic factors such as urbanisation, nuclearization and the increasing working population of India.
- Expansion into new geographies.
- Government initiatives to boost affordable housing.

Risk Management

Risk Management at HomeFirst includes risk identification, risk assessment, risk measurement and risk mitigation, with its main objective being to minimize the negative impact on profitability and capital.

HomeFirst is exposed to various risks that are an inherent part of any financing business. The major risks are Credit Risk, Market Risk, Liquidity Risk, Interest Rate and Operational Risk, including IT Risk. Alongside, some of the critical non-financial risk applicable are Reputation Risk, Compliance Risk, ESG Related Risk and Cybersecurity risk, etc.

To enable efficient management of risk, an independent Risk Governance Structure, in line with Regulatory was put in place in the context of separation of duties and ensuring the independence of risk measurement, monitoring and control functions.

The Risk management framework enhanced in line with new Regulatory guidelines/directives with formal Risk Appetite Framework, Stress Test Scenarios and assessment of risks (those that are not captured/factored in the capital adequacy prescribed by Regulator) under Internal Capital Adequacy Assessment Process (ICAAP).

The various risks across HomeFirst are monitored and reviewed through the Management Level Committees and the Risk Management Committee (RMC), which meets regularly.

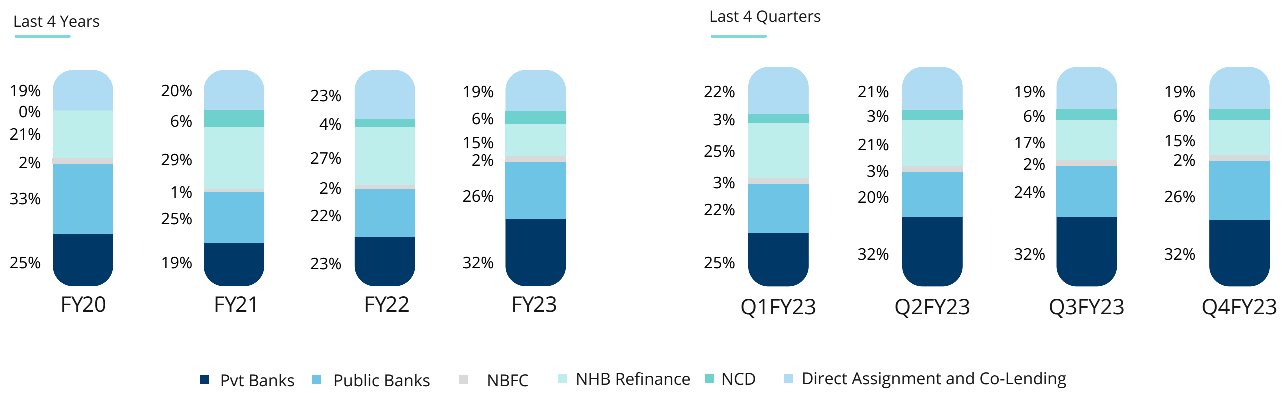
Corporate Governance Structure

HomeFirst believe that sound corporate governance is critical in enhancing and retaining stakeholders' trust. It is a reflection of HomeFirst's principles of fairness, responsibility and sustainability. Accordingly, Home First seek to ensure that the performance is driven by integrity.

The Board exercises its fiduciary responsibilities in the widest sense and provide strategic guidance. The Board members are individuals with diverse backgrounds and expertise, and includes independent directors to provide objective oversight.

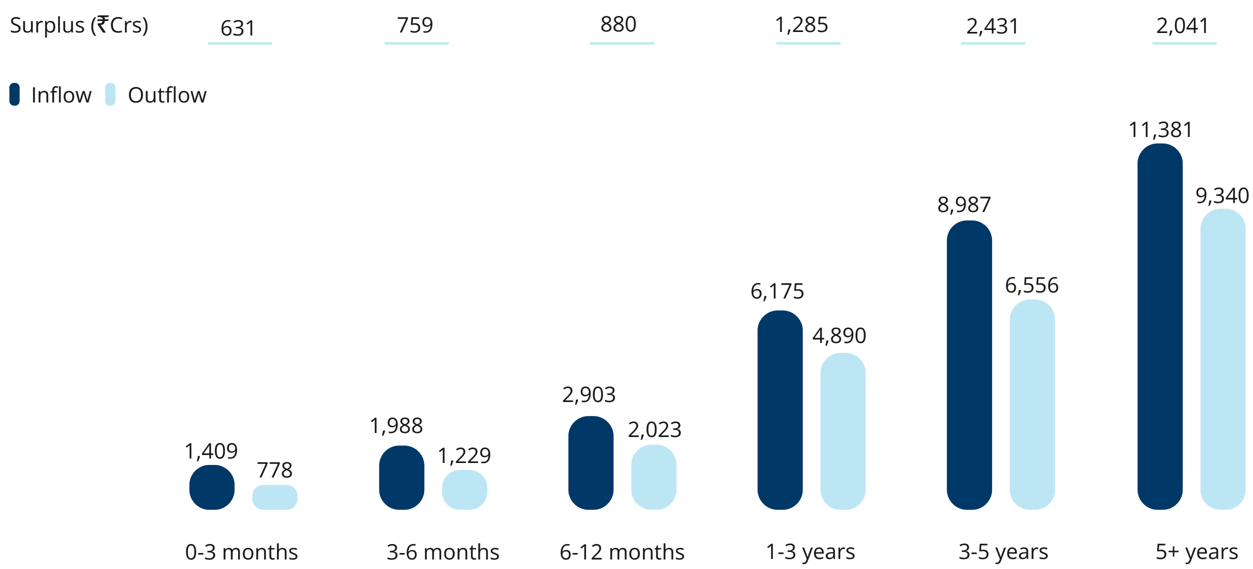
Management Discussion and Analysis

Borrowings Mix



We also have cumulative positive ALM gaps in all buckets. ALM framework is monitored in tandem with Company's business strategy and risk management. Further LCR requirements were duly adhered to. As at Mar'23, the company holds a liquidity buffer of ₹1,802 Crs and LCR of 157.2%.

ALM Position - Cumulative



Further detailing can be referred in the Financial Capital Chapter on page no. 53

Management Discussion and Analysis

CORPORATE GOVERNANCE STRUCTURE

Board of Directors

Board Level Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- IT Strategy Committee

Management Committee
- Credit Committee
- Grievance Redressal Committee
- Asset-liability Committee

Risk Management Framework

Regulatory Capital
- Credit Risk

Risk Assessed in ICAAP
- Market Risk
- CRM Risk
- Reputation Risk
- HR Risk
- Operation Risk
- Liquidity Risk
- Strategic Risk
- Cyber & info Risk
- Credit Concentration
- Interest Rate Risk
- Compliance Risk
- ESG Risk

Stress Test
- Credit Risk
- Liquidity Risk
- Credit Concentration
- Interest Rate Risk

Risk Assessment
- Regulatory Approach
- Credit/Property Criteria
- Parameter tracking

Risk Control
- Mitigation / Risk Limits
- Deviation approval matrix

Reporting
- Regulatory
- Internal MIS
- Disclosures

Compliance Function
- Dedicated Chief Compliance Officer (CCO)
- Nodal Officer for NHB
- Focus on RBI/ NHB/SEBI compliance
- Periodic Compliance Tracker

Internal Audit Function
- Independent function
- Risk Based Internal Audit
- Regular Branch Audit
- Annual HO Process Audit

Management Discussion and Analysis

Risk Management Framework

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.

Risk Appetite

The Risk Appetite is the aggregate level and types of risk an organisation is willing to assume to achieve its strategic objectives and business plan. It is decided in advance and within its risk capacity.

At HomeFirst, Risk Appetite framework incorporates limits for significant risks with monitoring parameters. It's a combination of quantitative and qualitative parameters, shortlisted and aligned with its business strategy. The board and senior management team reviews and assesses the parameters to ensure it remains appropriate and aligned with its business objectives.

Internal Capital Adequacy Assessment Process (ICAAP)

As per the RBI notification, Housing Finance Companies (HFCs) are categorized as Middle Layer and accordingly HFCs are required to have internal assessment of the need for capital, commensurate with the risks in their business.

Accordingly, HomeFirst has designed its ICAAP Policy and assessed applicable risk in ICAAP, as per internal methodology, which is proportionate to the scale and complexity of HomeFirst's operations.

Stress Test

During the year, HomeFirst also initiated stress test covering severe but plausible adverse scenarios. The stress test policy document list-out stress test shocks, frequency of stress test, tolerance, tentative mitigation plan and reporting framework for Credit Risk, Credit Concentration Risk, Liquidity Risk and Interest Rate Risk (IRR).

Type of Risk	Description	Mitigation Measures
Credit Risk	The possibility of losses associated with decrease 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

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
		credit committee and audit committee are considered while reviewing and renewing the policy. **Robust Processes** • **Credit Approval** - Verification of information through independent third-party/applications (to understand financial discipline and other credit risk dimensions). • **Property Assessment** - Support from Technical and Legal Expert to evaluate ownership rights on property. • **Centralized approval** and risk-based pricing. • **Exposure limits on groups / sub groups**, builder, Product & Property type. • Refining sourcing strategy based on portfolio performance and business opportunities. • Continuous **training** to existing credit officers and new recruits – who form the first line of defence for the company. • **Regular internal audits** and reviews by the Audit Committee ensure that the credit policy is implemented effectively.
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, HomeFirst'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 and the investments are **reported to ALCO on a quarterly basis.**

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
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 & Interest Rate Risk	Liquidity risk is the inability of a financial institute to meet its obligations as they become due, without adversely affecting the financial condition. Interest Rate Risk in Banking Book (IRRBB) refers to the current or prospective risk to a Financial Institutes' capital and earnings arising from adverse movements in interest rates that affect its book positions.	• 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

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
		ratios and threshold levels to ensure adequate liquidity planning. 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** and **change in the Net Interest Income (NII)** or Net Interest Margin (NIM) **due to interest rate movements.** ● 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	● HomeFirst has **robust Governance framework** as per applicable Regulations. ● **Tracking Reputation risk related parameters**, including Digital & Social Media Monitoring. ● Enhance compliance culture through **training and awareness workshops.**

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
	new, business relationships and continued access to sources of funding.	• **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. **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.	• 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. • 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, Home First 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.

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
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 FY23, we received a purchase consideration of ₹289 Crs from direct assignment and the corresponding assets were derecognized in the books of the company. As at Mar'23, the company has Direct Assignment of ₹1,056.49 Crs in the total portfolio compared to ₹1,025.16 Crs as at Mar'22.

Co-lending

During the fiscal year, we entered into co-lending tie-ups with the "Central Bank of India" apart from our previous tie-up with "Union Bank of India". We have executed co-lending transactions of an amount of ₹65.18 Crs with Union Bank and ₹23.90 Crs with Central Bank of India during the year. We plan to scale up the co-lending transactions in the medium term.

Capital to Risk-Weighted Assets Ratios

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

	Mar'23	Mar'22
CRAR (%)	49.38%	58.61%
CRAR - Tier I capital (%)	48.89%	58.05%
CRAR - Tier II capital (%)	0.49%	0.56%

Management Discussion and Analysis

Credit Ratings

As at Mar'23, the following table sets forth our credit ratings:

Instrument	Rating Agency	Rating	Amount (in ₹)	Outlook
Term Loan	ICRA	AA-	3500 Crs	Stable
	India Ratings	AA-	2300 Crs	Stable
	CARE	AA-	44.23 Crs	Stable
Commercial Paper	ICRA	A1+	100 Crs	-
	India Ratings	A1+	100 Crs	-
Non-Convertible Debentures	ICRA	AA-	131 Crs	Stable
	India Ratings	AA-	400 Crs	Stable

During FY23, ICRA Limited upgraded the rating to 'ICRA AA- Stable Outlook' from 'ICRA A+ Positive Outlook' for Term Loans and NCDs. CARE Ratings upgraded the rating to 'CARE AA- Stable Outlook' from 'CARE A+ Positive Outlook' for Term Loans.

Human Resources

One of the most important and critical assets and foundation of our operations is human capital. We strive to create a conducive environment for growth and development of our employees. Continuous training is provided to employees to uplift their skills and advance in their careers. Our culture is what sets us apart from the rest of the companies. In addition to our culture as well as our employee engagement programs, HomeFirst received a "Great Place to Work" certification from the GPTW Institute for the third time in a row. More details on training, employee benefits, employee engagement activities can be found in Human Capital Chapter – refer page no. 60

As of Mar'23, the employee strength stood at 993 as compared to 851 as at Mar'22.

ESG

ESG is gaining wider traction the world over - sustainability in operations is becoming a pre-requisite for functioning rather than a hygiene factor. HomeFirst has taken early lead and has demonstrated transparency in its governance with adequate disclosures, green initiatives and digitalization of processes. Pursuant to adoption of such measures and creating a thriving and vibrant workplace environment, we were not only adjudged as one of Great Places to work, but also HomeFirst has been rated “Low Risk” on ESG Risk parameters by Morningstar's Sustainalytics. Our score of 16.2, we believe, is the best amongst BFSI peers. This validation by a large agency highlights HomeFirst's focus on sustainability & superior corporate governance.

More details on ESG practices can be found in the Sustainability report starting from page no. 33

Internal Control Systems and Internal Audit

The RBI had mandated the introduction of Risk-Based Internal Audit for all deposit-taking housing finance companies with effect from June 30, 2022. Accordingly, the Corporation has put in place a Risk-Based Internal Audit Policy and has appointed Ms. Harshita Mulay - Dixit as the Head of Internal Audit. The internal audit is performed as per the Annual Audit plan approved by the Audit Committee of the Board. HomeFirst has a Risk based Internal Audit process covering branches and HO processes which is commensurate with the size and nature of its business. Observations and recommendations from the Internal Audit review are placed before the Audit committee. Agreed actionables are monitored till closure and the status of the

Management Discussion and Analysis

actionables are presented to the Audit Committee periodically.

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. The 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. The Audit Committee also provides necessary oversight, gives recommendations, and monitors implementation of such recommendations.

Outlook

We believe HomeFirst is at an inflection point to benefit from the multi-decadal opportunity in housing finance underpinned by multiple macro drivers as highlighted above along with our strong balance sheet and a robust risk management framework. We will continue to leverage technology to automate processes, reduce costs and improve customer service with a lean business model architecture. We are committed to build a strong brand in Housing Finance while staying true to our mission of being the *"Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency."*

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.

Directors' Report

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

Your Directors take pleasure in presenting the 14th Directors' Report of the Company together with the Audited Statement of Accounts for FY23.

FINANCIAL SUMMARY:

State of Company's Affairs:

The Company is a leading technology driven affordable housing finance company in India. The Company serves first-time home buyers belonging to the low and middle-income group who aspire to own a home by offering a convenient digital process coupled with fast turnaround times. We take pride in understanding the needs of our customers and providing them extraordinary service in their home buying journey.

Financial Results:

Despite geopolitical uncertainty and rising inflation, the Indian economy was able to overcome the vagaries and demonstrate a healthy GDP growth of 7% supported by favorable government and central bank policies. The Company continued to capitalize on its technology led business model to achieve strong results for the year.

The key highlights of the Audited Financial Statements of your Company for FY23 and a comparison with the previous year is summarized below:

(Amount in ₹ Crs)

Particulars	FY23	FY22
Total Income	795.60	595.70
Less: Total Expenses	500.38	369.40
Profit/ (Loss) before tax	**295.22**	**226.30**
Less: Current tax	71.45	44.68
Deferred tax	(4.52)	7.53
Tax pertaining to earlier years	-	(12.01)
Profit after Tax	**228.29**	**186.10**
Other Comprehensive Income	(0.14)	(0.32)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(45.90)	(37.50)
Balance carried to Balance Sheet	**182.25**	**148.28**
Earnings per Share (Face Value ₹ 2)		
Basic (₹)	26.01	21.26
Diluted (₹)	25.20	20.54

Dividend & Reserves:

The board after considering the asset liability levels and the growing scale of business has made recommendation to return a portion of the surplus to the shareholders in the form of dividend for the financial year ended March'23. An amount of ₹ 2.60 per equity which is equivalent to 130 % of the face value of the equity shares, being recommended by the Board, subject to the approval of the members, to be paid out as Dividend. The payout ratio for FY23 shall be 10%. The dividend declared is in accordance with the Dividend Distribution policy adopted by the Company. The Dividend Distribution Policy is hosted on the website of the Company.

Directors' Report

During the year under review, pursuant to Section 29C of the NHB Act, 1987, the Company had transferred a sum of ₹45.90 Crs out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

Business Update:

India is the fifth largest economy as per IMF and is projected to fare better than peers with an impressive estimated growth of 5.9% in 2023 and 6.3% in 2024. As per various leading research institutions, Indian GDP has the potential to deliver the highest CAGR globally in the medium term amongst large economies, driven by various structural policy measures taken by the Indian government. In the medium to long term, it is anticipated that the Indian economy would continue to gain from structural positives such as increased urbanisation rates, higher discretionary expenditure, greater transparency through digitisation, and the government's emphasis on reforms in various sectors. The current fiscal budget which encourages an increase in public expenditure with a primary focus on infrastructure development, supports India's medium-term growth.

HomeFirst has made a positive impact on the lives of 100,000 customers in its journey of 13 years by providing housing finance to these customers and enabling them to own a home. The Company has scaled a new milestone of ₹7,000+ Crs of AUM during this current fiscal. Disbursal of new loans crossed ₹3,000 Crs. Our sustained growth supported by a healthy balance sheet has prompted rating agencies to enhance our credit rating to AA-/Stable. We have also diversified our lender base and added our first multi-lateral agency IFC, a member of World Bank Group. As of March'23, we have 26 banking and lending relationships.

Our distribution has been further strengthened to cover 265+ touchpoints across 12 States. The Company has also crossed the milestone of 100 branch offices during the year to reach a total branch distribution of 111 branches. This contiguous branch expansion has helped your Company to grow its portfolio by 33.8% y-o-y. The highlights of the Company's performance during FY23 are as follows:

- The Assets Under Management (AUM) as at March'23 amounted to ₹7198 Crs vis-à-vis ₹5380 Crs in the previous year; a year-on-year growth of 33.8%.
- The profit before tax for FY23 increased by 30.5% to ₹ 295.22 Crs (FY22: ₹226.30 Crs). The profit after tax for FY23 increased by 22.7% to ₹ 228.29 Crs (FY22: ₹186.10 Crs).
- Strong Capital Adequacy ratio of 49.38% as of March'23.
- Enhancement of rating from A+ to AA-.
- Stable Asset Quality - The Gross Non-Performing Assets (GNPA) as on March'23 was 1.61% of the total loan book of the Company and corresponding Net Non-performing Assets (NNPA) was 1.07%.
- The Net Interest Income reported for the period was ₹379.24 Crs vis-à-vis ₹262.23 Crs in FY22.
- The Networth of the Company as on March 31, 2023 was ₹1817.34 Crs (FY22: ₹1573.69 Crs)

The organization's goal of sustainable growth is underpinned by strong governance standards, combined with a zest to leave a positive social and environmental impact. HomeFirst has been successful in getting one of the best ESG risk ratings in the BFSI sector by MorningStar Sustainalytics. They have given HomeFirst an ESG Risk Rating of 16.2 with Low Risk and Strong rating for ESG Risk Management.

Further the Company has received subsidy under PMAY-CLSS worth ₹277.91Crs towards 10,806 beneficiaries during the year and the same has been credited to the respective customers' loan accounts to reduce the principal amount of their loans and provide relief by reducing their EMI.

Directors' Report

Resources and Liquidity:

Your Company has been maintaining strong liquidity buffers on an ongoing basis. The Company has a diverse set of lenders/investors that include public sector banks, private sector banks, the National Housing Bank and other 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 issued secured, rated, unlisted, redeemable, taxable non-convertible debentures on a private placement basis aggregating to ₹280 Crs to the International Finance Corporation.

During the year under review, the Company has raised (i) ₹1860Crs borrowings from banks / finance companies (outstanding as of March'23: ₹3,553.53Crs), (ii) ₹877.54 Crs raised by way of Direct Assignment & Co-lending (iii) ₹600 Crs through re-finance from NHB (outstanding as of March'23: ₹912.99 Crs) and (iv) ₹280 Crs by way of NCDs (outstanding as of March'22: ₹346.95 Crs).

Further, the liquidity coverage ratio ('LCR') as on March 31,2023 was 157.21% as against the regulatory requirement of 50%.

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 ₹ Crs
Term Loan	ICRA	AA-	Stable	3500
	India Ratings	AA-	Stable	2300
	CARE	AA-	Stable	44.23
Commercial Paper	ICRA	A1+	-	100
	India Ratings	A1+	-	100
Non-Convertible Debentures	ICRA	AA-	Stable	131
	India Ratings	AA-	Stable	400

Migration of the Credit Rating of the Company:

During the year, considering the steady growth, strong profitability and robust balance sheet, rating agencies upgraded the credit rating of the Company. Both ICRA and CARE upgraded the rating from A+ to AA- (stable) in June 2022.

Capital Adequacy Ratio:

The Company maintains a Capital Adequacy Ratio of 49.38% (Tier I Capital Adequacy Ratio 48.89%) as of FY23 (FY22:58.61%); which is far higher than the minimum required level of 15% under the RBI Master Directions signifying the strong position of the Company.

Directors' Report

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 for three consecutive years. This was an excellent endorsement of the human resource practices and work culture of the Company.

The Company has also received a certificate of Merit in PMAY empowering India Awards 2022 in recognition of its contribution to Affordable Housing development in the country.

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'23 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'23 and date of this Director's Report.

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 3,83,064 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 ₹17,60,33,534/- (8,80,16,767 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 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/.

Directors' Report

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. However, the Company has given the details of its initiatives in relation to conservation of energy and technology absorption in BRSR provided in **Annexure VII**.

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 ₹ Crs)

Sr no	Particulars	FY23	FY22
1.	Software license and technology fee	2.49	6.14
2.	Bank and other charges	0.63	-
	Total	**3.12**	**6.14**

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 shall be 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 are commensurate with the size of the Company.

Matters Related To Directors And Key Managerial Personnel:

The Company has a diverse and inclusive Board which endeavors 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'23, the Board of Directors of your Company comprised of 8 Directors; viz. four (4) Independent Directors out of which two (2) are women Independent Directors, three (3) Nominee Directors and 1 (one) Executive Director. The Chairman of the Board is an Independent Director.

Directors' Report

Details of Board of Directors along with Key Managerial Personnel as on March'23 are 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. 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 FY23, there has been no new appointment of a Director on the Board of the Company. Further, Mr. Vishal Vijay Gupta (DIN: 01913013) retired at the last annual general meeting and did not seek re-appointment.

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'23:

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 the provisions of Section 152 of the Act, Mr. Maninder Singh Juneja (DIN:02680016), 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' Report

Directors. The above manner is based on the Guidance Note on Board Evaluation issued by 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, IT Strategy 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 15, 2023, without the attendance of Non-Independent Directors and the Management of the Company. The Independent Directors have discussed and reviewed the performance of the Non-Independent Directors and the Board as a whole 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 FY23, 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'23, 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 and 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 has 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/nominationandcompensationpolicy.

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.

Directors' Report

Business Responsibility and Sustainability Reporting ('BRSR'):

In terms of Regulations 34(2)(f) of the SEBI (Listing Obligations 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 FY23 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**. 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 FY23.

Disclosures Related To Board, Committees And Policies:

Board and Committee Meetings:

During FY23, the Board of Directors of the Company met 4 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 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, 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 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:

The financial world was significantly impacted due to the COVID-19 pandemic, with markets experiencing unprecedented volatility and businesses facing significant financial challenges. The recent, Russia Ukraine conflict also impacted the Indian financial services sector through its impact on the global economy and financial markets. Inflation touched a peak of 7.8% in April 2022 and remained at a level of 6.8% throughout May-November 2022. Adding to high inflation was China's COVID-led disruption in the supply chain. To tackle inflation, RBI had to increase the interest rates. Despite such challenges, the robust risk management framework in the Company has helped in achieving strong results for the Company. The risk management framework at the company is designed keeping in mind regulatory requirements and dynamics of business environment. The key objective of policy is to support financial stability and create value for all the stakeholders.

As a lending institution, we face financial and non-financial risks. The risk management framework of your Company enables risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. This augments our risk evaluation and management capabilities while providing the flexibility to adapt effectively and efficiently to the changing business and regulatory environment. The Company is vigilant and has laid down the policy considering the Company's objectives, business strategy and intricacies arising out of the business operations.

Directors' Report

The Company also has a Risk Management Committee, with Board members in majority, which oversees the overall risk assessment and monitoring in the Company. Adoption of Risk based Internal Audit further strengthens the risk framework of the Company in terms of identification and mitigation of various types of risks.

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 FY23:

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 FY23.

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 Branch and HO functions respectively) for FY23 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 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 FY23. 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 strength of the Company comes from its employees. Your Company has continuously invested in developing and ensuring the financial as well as mental well-being of its employees. The employees are equipped with different types of functional and behavioral skills to ensure high standards of service to internal and external stakeholders. During the year, the Company has provided various knowledge and skill-based training via online and offline modes.

Directors' Report

Your Company has built a diverse workforce across gender, age, social and economic segments and has created a healthy work environment. The Company has a policy of hiring college graduates and giving them on the job training to realize their full potential and eventually giving them a sustainable career path within the organization. The HR team has built and nurtured a safe environment for the employees which has helped the employees deliver optimum results while maintaining their work life balance.

The Company has a total of 111 Branches as on March 31, 2023 with a total employee strength of 993 Employees.

Employee Stock Option Schemes:

In order to enable the employees of the Company to participate in its future growth and success, the Company has three Employee Stock Option policies. In terms of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures for FY23 with respect to all the ESOP policies have been provided on the website of the Company at www.homefrstindia.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 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 on 'Prevention of Sexual Harassment'. The Policy is available on the website of the Company at the below mentioned link 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 FY23, the Company did not receive any complaint. 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 also has 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 orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

Directors' 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'23, 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 have selected such accounting policies and applied them consistently and the Directors made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at March'23, and of the profit of the Company for the year;

c. the directors have 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 have prepared the annual accounts of the Company on a going concern basis;

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

f. the directors have 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 strong performance on all fronts.

Directors' Report

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 2, 2023
Place: Mumbai

Directors' Report

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 No.	Particulars	Details	Details
1.	Name(s) of the related party	Perfios Software Solutions Private Limited ("Perfios")	True North Enterprise Private Limited ("True North")
2.	Nature of relationship	Entity with Common director	Entity under Common Control
3.	Nature of contracts/ arrangements/ transactions	Service Agreement	Reimbursement of Expenses
4.	Duration of the contracts /arrangements /transactions	Five years effective since October 30, 2019	Not Applicable
5.	Salient terms of the contracts arrangements or transactions including the value, if any	i. Service Agreement has been entered with 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 1,10,000/-.	i. True North has appointed their employee to assist in projects and enable a sharper learning curve for their management graduates and obtain a practical experience of the operational side of the business. ii. The Company had reimbursed True North for the remuneration paid to these employees in lieu of their contribution made during FY23. iii. During the year, the total value of the transaction with True North was 42,65,233/-.

Directors' Report

Sr No.	Particulars	Details	Details
6.	Date(s) of approval by the Board, if any:	Approval granted by Board in its meeting held on May 3, 2022.	Approval granted by Board in its meeting held on May 3, 2022.
7.	Amount paid as advances, if any	NIL	NIL

Note: Perfios Software Solutions Private Limited ceased to be a Related Party w.e.f. June 10, 2022.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Directors' Report

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 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 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, 1961.

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 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.

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 or such limit as prescribed or amended by the SEBI Listing Regulations or the Companies Act, 2013 or any other Statutory Bodies.

Directors' Report

e) **"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.

f) **"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 share-holders/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

Directors' Report

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 refrain 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.

Directors' Report

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 LODR 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 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%);

Directors' Report

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 Rs.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.

(c) 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.

Directors' Report

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.

Directors' Report

Annexure III

Report of the Directors on Corporate Governance for FY23

Company's philosophy on Corporate Governance

Corporate governance provides a comprehensive and interdisciplinary approach to the management, operation, and control of the company. 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 critical to the survival of the company and is required to establish a corporate culture of transparency, accountability and effective oversight over the business.

A system of effective checks and balances between the key participants, including the board, its committees, the management, auditors, and numerous other stakeholders, is included in your company's corporate governance architecture. Maintaining oversight and integrity in the company's governance and business operations is a priority for the board of directors and management of your business.

Our corporate governance policies are appropriate for the scale of the company and in the best interests of all stakeholders, including our shareholders, workers, customers, and the community. The Company has implemented more effective governance frameworks to guarantee sound decision-making, support senior management succession planning that increases long-term prosperity.

The Board of Directors

The Board of Directors of the Company play an integral part in formulating standards for overall corporate governance along with the framework for internal control and risk management processes while taking into account the scale of operations, risk profile and organizational structure and ensuring strict observance of statutory and regulatory requirements including market conduct, managing customer grievance and suitability of customer service.

The contribution of the Board is critical for ensuring appropriate guidance with regards 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 also support the value of a more diverse and inclusive board, which contributes a rich range of perspectives, opinions, and ideas for making decisions and solving problems. Board diversity can pave the way for more inclusive and cooperative corporate governance, enhancing the productivity and performance of the company, have a good effect on a company's culture, and assist in keeping up with a changing consumer base and market.

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, 2023, the Board of Directors comprised of 8 Directors, of whom 4 were Non-Executive Independent Directors (Including the Chairman and 2 Women Directors), 3 were Non-Executive Nominee Directors representing investors and the Managing Director & Chief Executive Officer.

Directors' Report

The details of the Board of Directors are as under:

Name of Director	DIN	Category	No of Equity Shares held	Qualification / Experience	No of Other Directorships	Membership in Committees*	
						Member	as Chairperson
Mr. Deepak Satwalekar	00009627	Non-Executive Chairman and Independent Director	-	Bachelors in Mechanical Engineering and MBA (over 37 years)	3	2	2
Ms. Geeta Dutta Goel	02277155	Independent Woman Director	-	Bachelors in Commerce and PGDM (over 28 years)	4	1	-
Mr. Anuj Srivastava	09369327	Independent Director		Bachelors in Technology and MBA (over 20 years)	1	-	-
Ms. Sucharita Mukherjee	02569078	Independent Woman Director	-	Bachelors in Economics and PGDM (over 22 years)	2	2	2
Mr. Divya Sehgal	01775308	Nominee Director (For True North Fund V LLP)	-	Bachelors in Technology and PGDM (over 27 years)	3	-	-
Mr. Maninder Singh Juneja	02680016	Nominee Director (For True North Fund V LLP)	-	Bachelors in Civil Engineering and PGDM (over 28 years)	4	2	-
Mr. Narendra Ostawal	06530414	Nominee Director (For Orange Clove Investments B.V.)	-	Chartered Accountant and PGDM (over 17 years)	6	-	-
Mr. Manoj Viswanathan	01741612	Managing Director & Chief Executive Officer ("MD & CEO")	803383 (0.91%)	Bachelors in electrical and electronics and PGDM (over 26 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.

Directors' Report

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	-	-
Mr. Divya Sehgal	-	-
Mr. Maninder Singh Juneja	-	-
Mr. Narendra Ostawal	1.Computer Age Management Systems Limited	Non - Executive - Nominee Director
	2. Fusion Microfinance Limited	
Mr. Manoj Viswanathan	-	-

None of the Directors held directorship in more than ten public companies and none of the directors served as a director in more than seven listed companies, across the directorships held including that in the Company. Further, neither 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 MD & CEO of the Company does not serve as an Independent Director in any listed company or any other company.

None of the directors are inter-se related to each other. The Independent Directors are independent of the management and in the opinion of the Board all the independent directors fulfill the conditions specified in the SEBI Listing Regulations. All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations.

Change in Composition of the Board

The change in the composition of Board for FY23 under review is as under:

Sr. No.	Name of the Director	Nature of change	Effective date
1.	Mr. Vishal Vijay Gupta	Retirement by rotation	June 10, 2022

The Company has furnished to National Housing Bank a quarterly statement on change of directors from time to time.

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:

Directors' Report

Parameters	Mr. Deepak Satwalekar	Ms. Geeta Dutta Goel	Mr. Anuj Srivastava	Ms. Sucharita Mukherjee	Mr. Maninder Singh Juneja	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	-	-	√	√	√	√	-	√

Responsibilities of the Board

The Board's role, responsibilities, and levels of accountability are all clearly stated. The Board's duties, in addition to its principal responsibility for keeping an eye on company performance, include but are not limited 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 and Committee Meetings are planned in advance, and a tentative annual calendar is shared to all Directors to allow them to plan their schedules and encourage active participation in the meetings. When a particular or urgent business necessity arises, the Board must give its consent by approving resolutions that are circulated in line with all applicable legislation. These resolutions are reported and reaffirmed at the following board meeting. The Directors are also given an option to participate in the meetings through video conferencing to encourage effective and active involvement in the Board deliberations.

The Board / Committee meeting notification is sent in a timely manner and in accordance with all applicable legislation. To help the members make thoughtful decisions, all the necessary notes and information are included in the agenda itself.

Directors' Report

The Board meets at regular intervals to discuss and decide on the business policy and strategy and other businesses. During the year under review, 4 meetings of the Board of Directors of the Company were convened and held on May 3, 2022, July 27, 2022, October 19, 2022 and January 24, 2023. 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 attendance of the directors at the above-mentioned board meetings and the Annual General Meeting (AGM) held on June 10, 2022, 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	4	3	3,00,000/-	Y
Ms. Geeta Dutta Goel*	4	4	-	Y
Mr. Anuj Srivastava	4	2	2,00,000/-	Y
Ms. Sucharita Mukherjee	4	3	3,00,000/-	Y
Mr. Divya Sehgal	4	3	-	Y
Mr. Maninder Singh Juneja	4	4	-	Y
Mr. Vishal Vijay Gupta	1	1	-	N
Mr. Narendra Ostawal	4	4	-	Y
Mr. Manoj Viswanathan	4	4	-	Y

*Ms. Geeta Dutta Goel vide her letter dated January 17, 2022 had expressed her intention to not draw remuneration in any form for FY23.

Membership of Directors in Board Committees during FY23:

Name of Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Risk Management Committee	IT Strategy Committee	Corporate Social Responsibility Committee
Mr. Deepak Satwalekar	-	-	-	-	-	-
Ms. Geeta Dutta Goel	M	C	-	-	-	C
Mr. Anuj Srivastava	-	M	-	-	C	-
Ms. Sucharita Mukherjee	C	-	C	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

* C=Chairperson and M=Member

** Mr. Vishal Vijay Gupta ceased to be a Nominee Director with effect from June 10, 2022.

Directors' Report

Board Diversity

To ensure that a fair and transparent process is in place to encourage diversity in thought, knowledge, skills, experience, age, 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 such as financial services, technology, accounting, cybersecurity and consumer behavior 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 plethora of skills and experience that add value to the performance of the Board.

Role of Independent Directors

Independent directors play a crucial part in the board's decision-making process since they approve the Company's overall strategy and monitor management's performance. The independent directors bring with them a wealth of expertise, wisdom, and understanding in the areas of finances, housing, credit & risk, and accounting. This extensive understanding of their area of specialty and boardroom procedures results in a variety of unbiased, experienced, and independent view points. Each independent director has committed and set aside enough time to carry out their responsibilities well.

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.

The terms and conditions of appointment of Independent Directors are available at Terms and Condition for appointment of Independent Director.

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 Policy on Familiarization Program for Independent Director.

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 15, 2023.

Directors' Report

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:

Name of Director	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%	1,00,000/-
Ms. Geeta Dutta Goel	1	1	100%	-
Mr. Anuj Srivastava	1	-	-	-
Ms. Sucharita Mukherjee	1	1	100%	1,00,000/-

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 six Board level Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility 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, SEBI 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 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, MD & 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'23, 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.

Directors' Report

Composition:

The members of the Audit Committee as on March'23 were:

Name of Director	Category	Designation
Ms. Sucharita Mukherjee	Independent Director	Chairperson
Ms. Geeta Dutta Goel	Independent Director	Member
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 transaction' 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;

Directors' Report

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;
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; and
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, 2022, July 27, 2022, October 19, 2022 and January 24, 2023. 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:

Name of Director	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	4	4	100%	4,00,000/-
Ms. Geeta Dutta Goel	4	4	100%	-
Mr. Maninder Singh Juneja	4	4	100%	-

Directors' Report

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, two 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 acts as Secretary to the Committee.

Composition:

The members of the Nomination and Remuneration Committee as on March'23 were:

Name of Director	Category	Designation
Ms. Geeta Dutta Goel	Independent Director	Chairperson
Mr. Anuj Srivastava	Independent Director	Member
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;

Directors' Report

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 met once on May 3, 2022. The required quorum was present at the meeting. The detailed attendance and sitting fees paid for the said meetings are given below:

Name of Director	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Geeta Dutta Goel	1	1	100%	-
Mr. Anuj Srivastava	1	1	100%	1,00,000/-
Mr. Narendra Ostawal	1	1	100%	-

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, confidentiality, independence of behaviour and judgement. The Company completed the Board Evaluation during the year, which included the evaluation of the Board as a whole, its committees, and individual performance evaluation of Directors, Independent Directors and Chairperson. 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 15, 2023.

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 Compensation Policy

The Company had adopted the Nomination and Compensation Policy in accordance with the RBI 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' ("Guidelines") vide notification dated April 29, 2022. This policy, inter alia, provides (a) Set criteria for determination of qualification, positive attributes and independence of a director required for appointment;

Directors' Report

(b) Identification and evaluation criteria for the directors, key managerial personnel and senior management personnel of the Company; and
(c) Ensure that remuneration to Directors, KMP and SMP involves 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 remuneration paid to the Directors and Senior Managerial Personnel is in conformity with the Nomination and Compensation Policy of the Company. The Policy can be accessed at the website of the Company https://homefirstindia.com/files-/NominationandCompesnationPolicy.pdf

Corporate Social Responsibility ('CSR') Committee:

The Corporate Social Responsibility 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 other reputed Non-Governmental Organisation, of at least two percent of the Company's average net profits calculated as per Section 198 of Companies Act, 2013 during the three immediately preceding financial years in pursuance of its CSR Policy for the Company's CSR initiatives.

Composition:

The Corporate Social Responsibility 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'23 were:

Name of Director	Category	Designation
Ms. Geeta Dutta Goel	Independent Director	Chairperson
Ms. Sucharita Mukherjee	Independent Director	Member
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.

Directors' Report

CSR Meetings, Attendance and Quorum:

During the year under review, the Committee met twice i.e., April 25, 2022 and July 22, 2022. The required quorum was present at the meetings. The details of participation of members and the sitting fees paid is as follows:

Name of Director	Number of meetings held during the year and during their tenure	Number of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Geeta Dutta Goel	2	2	100%	-
Ms. Sucharita Mukherjee	2	1	50%	1,00,000/-
Mr. Manoj Viswanathan	2	2	100%	-

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 Impact Reporting Section.

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 also acts as Secretary to the Committee.

Composition:

The members of the Stakeholders Relationship Committee as on March'23 were:

Name of Director	Category	Designation
Ms. Sucharita Mukherjee	Independent Director	Chairperson
Mr. Manoj Viswanathan	Managing Director & CEO	Member
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;

Directors' Report

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 twice on April 18, 2022 and October 12, 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

Name of Director	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	2	2	100%	2,00,000/-
Mr. Maninder Singh Juneja	2	2	100%	-
Mr. Manoj Viswanathan	2	2	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'23
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**

Directors' Report

Risk Management Committee:

The Risk Management Committee has been constituted in accordance with Regulation 21 read with Part D Schedule II of the SEBI 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 role of monitoring and reviewing 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'23 were:

Name of Member	Category	Designation
Mr. Maninder Singh Juneja	Nominee Director	Chairman
Ms. Sucharita Mukherjee	Independent Director	Member
Mr. Narendra Ostawal	Nominee Director	Member
Mr. Manoj Viswanathan	MD & CEO	Member
Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
Mr. Ajay Khetan	Chief Business Officer	Member
Mr. Ashishkumar Darji	Chief Risk Officer	Member

Terms of reference

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, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b) 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 and;

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 four times – June 27, 2022, September 28, 2022, November 23, 2022 and January 19, 2023. The gap between any 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:

Directors' Report

Name of Member	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	4	3	75%	-
Ms. Sucharita Mukherjee	4	4	100%	4,00,000/-
Mr. Narendra Ostawal	4	3	75%	-
Mr. Manoj Viswanathan	4	3	75%	-
Mr. Ajay Khetan	4	4	100%	-
Ms. Nutan Gaba Patwari	4	3	75%	-
Mr. AshishKumar Darji	4	4	100%	-

Information Technology ("IT") 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'23 were:

Name of Member	Category	Designation
Mr. Anuj Srivastava	Independent Director	Chairman
Mr. Manoj Viswanathan	Managing Director & CEO	Member
Ms. Nutan Gaba Patwari	Chief Financial Officer	Member
Mr. Ajay Khetan	Chief Business Officer	Member
Mr. Gaurav Mohta	Chief Marketing Officer	Member
Ms. Vilasini Subramaniam	Head- Strategic Alliance	Member
Mr. Dharmvir Singh*	Chief Technology Officer	Member
Mr. Devendra Mani	Head-Operations	Member

*Consequent upon resignation, Mr. Dharmvir Singh ceased to be a member of the Committee with effect from October 13, 2022.

Terms of reference

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;

Directors' Report

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 HomeFirst's IT system is carried out on yearly basis;

IT Strategy Meetings, Attendance and Quorum:

During the year under review the committee met 2 times on September 7, 2022 and on March 2, 2023. 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. The details of participation of members and sitting fees paid is as follows:

Name of Member	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	2	2	100 %	2,00,000/-
Mr. Manoj Viswanathan	2	2	100%	-
Ms. Nutan Gaba Patwari	2	1	50 %	-
Mr. Ajay Khetan	2	2	100%	-
Mr. Gaurav Mohta	2	2	100 %	-
Ms. Vilasini Subramaniam	2	1	50%	-
Mr. Devendra Mani	2	2	100%	-
Mr. Dharmvir Singh*	1	1	100%	-

*Mr. Dharmvir Singh ceased to be the member of the Committee with effect from October 13, 2022.

Remuneration of Directors

The remuneration paid to the Directors of the Company is in accordance with the applicable provision of the Companies Act, the SEBI Listing Regulations and in line with the compensation policy of the Company. 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 Annual Return in Form MGT 7 FY 2022-23.

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 of 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 FY23. No shares or convertible instruments are held by the Non-Executive Directors.

Directors' Report

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	4,00,000/-	24,20,000/-	-	28,20,000/-
Ms. Geeta Dutta Goel *			-	
Mr. Anuj Srivastava	5,00,000/-	12,00,000/-	-	17,00,000/-
Ms. Sucharita Mukherjee	15,00,000/-	13,00,000/-	-	28,00,000/-
Other Non-Executive Directors				
Mr. Maninder Singh Juneja	-	-	-	-
Mr. Divya Sehgal	-	-	-	-
Mr. Narendra Ostawal	-	-	-	-
Total	**24,00,000/-**	**49,20,000/-**	**-**	**73,20,000/-**

*Ms. Geeta Dutta Goel vide her letter dated January 17, 2022 had expressed her intention to not draw remuneration in any form for FY23.

Remuneration of Managing Director & CEO ('MD & CEO')

The components of the MD & CEO's compensation package include salary, a performance-linked incentive, and other benefits. The Nomination and Remuneration Committee makes the decision, which is then accepted by the Board and stays within the general parameters set by the shareholders at the annual general meeting. Mr. Viswanathan is not qualified for any severance payments and his notice period is 3 months from the date of resignation.

Details of remuneration paid to Mr. Manoj Viswanathan, MD & CEO, for FY22:

Sr. 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	118,80,000/-
	(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 Performance Linked Incentive (for FY22)	80,00,000/-
	Total	**198,80,000/-**

Directors' Report

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 Nomination and Compensation Policy.

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 Dividend Distribution Policy.

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 Internal Guidelines on Corporate Governance.

Code of Conduct for the Board of Directors and the Senior Management Personnel

Pursuant to Regulation 17(5) of 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 MD & 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'23 as attached with this Report. The said code is hosted on the website at Code of Conduct for Directors and Senior Managerial Personnel.

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 by the Company in the ordinary course of its business 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, 2023. 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 FY23 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 at Related Party Transaction Policy.

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.

Directors' Report

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 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

In compliance of the SEBI PIT Regulations, as amended from time to time, the Company has formulated a Code of Conduct for 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 Code of practices and procedures of fair disclosure of UPSI.

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 filed during the year: Nil
Number of cases disposed during the year: Nil
Numbers of cases pending as on March 31, 2023: 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.

Directors' Report

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
2021-22	June 10, 2022 at 2:00 PM	Through Video Conferencing ("VC")/ Other Audio-Visual Means	• 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. • 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.
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.

Postal Ballot: No Postal Ballot was conducted during FY23 and no special resolution is proposed to be passed through postal ballot under the provisions of the Act, on or before the ensuing AGM.

Means of Communication:

Your company publishes financial reports on a quarterly basis in accordance with the applicable SEBI Listing regulations, which are duly examined by the Audit Committee prior to submission to the Board and submission to the stock exchanges. Financial Express and Mumbai Lakshdeep are the newspapers wherein company's financial results are published. The managing director, chief financial officer and investor relations officer attend conference calls with investors and analysts on a quarterly basis and interact with them at regular intervals.

The Company's website www.homefirstindia.com, under the section of 'investor relations' contains all important public information including financial results, various policies framed/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 FY23, the Company sent documents, such as notice of the annual general meeting, audited financial statements, directors' report, auditors' report, etc. in electronic form to the registered email addresses of the members. 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.

Directors' Report

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 8, 2023; Time: 11:00 A.M., Indian Standard Time ("IST")
Financial year	April 1, 2022 to March 31, 2023
Dividend Payment Date	Dividend to be paid within 30 days from the date of approval in the Annual General Meeting
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

Directors' Report

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 Listing 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'23, 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.

Directors' Report

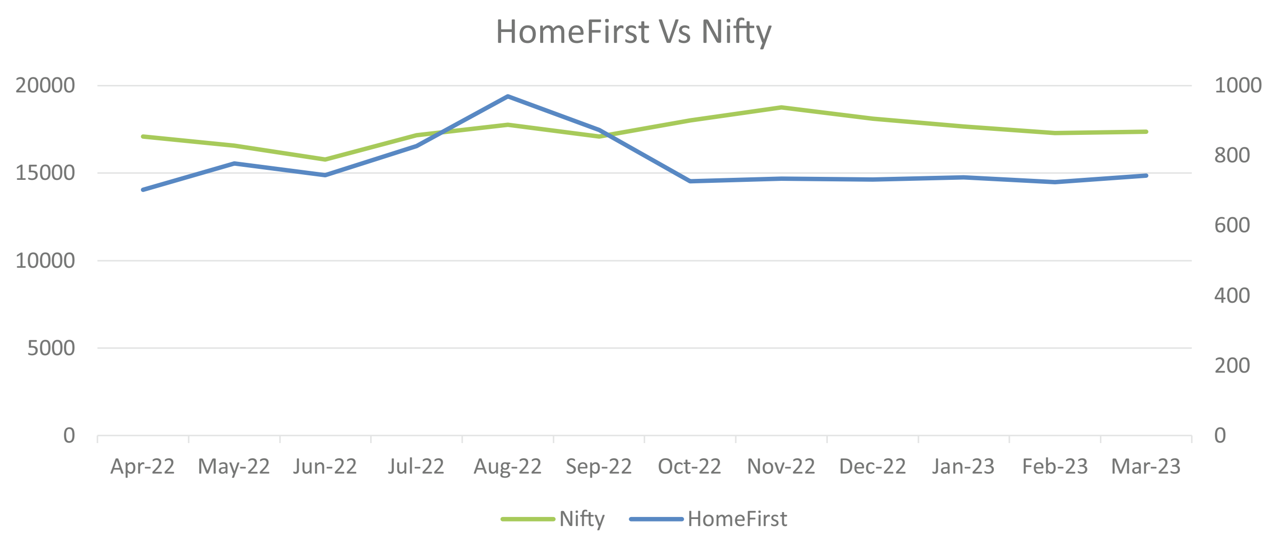
Stock Price Data:

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:

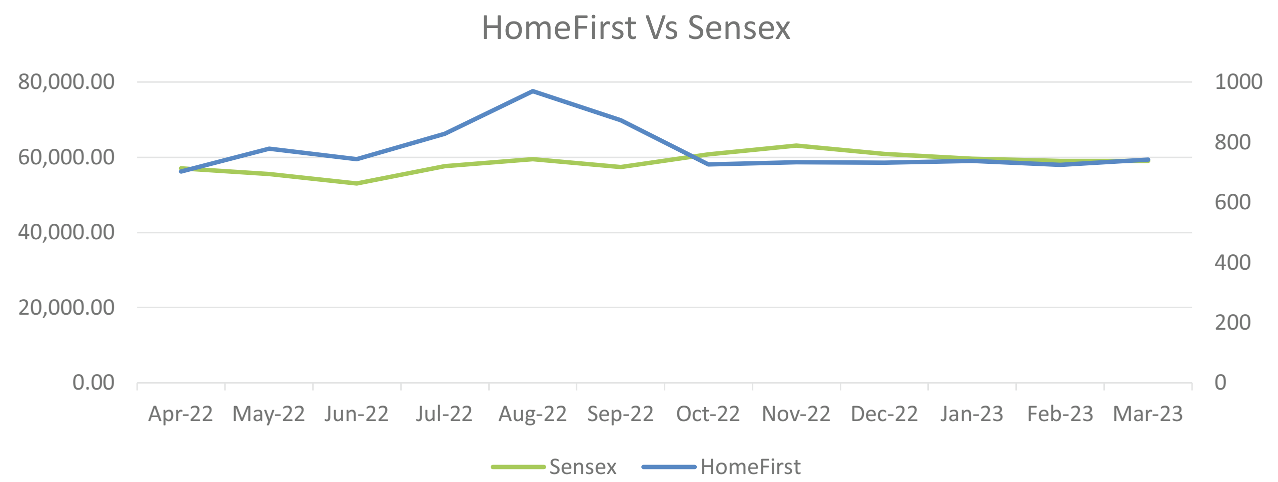
Month	BSE		NSE	
	High	Low	High	Low
April 2022	838.75	693.15	819.60	690.55
May 2022	834.95	678.00	837.30	677.05
June 2022	804.25	700.00	803.80	702.90
July 2022	858.05	730.05	859.00	726.05
August 2022	1,004.40	790.00	1,004.55	789.90
September 2022	971.80	831.50	972.45	831.00
October 2022	890.05	695.35	894.00	695.15
November 2022	751.40	652.25	751.45	652.00
December 2022	776.15	687.70	776.60	688.05
January 2023	806.40	717.60	808.00	717.95
February 2023	779.20	721.45	780.25	722.25
March 2023	760.00	654.85	760.00	654.60

[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:



Directors' Report



Distribution of Shareholding as on March'23:

Sr. No.	Category (Shares)	No. of Holders	% Holders	No. of Shares	% To Equity
1.	1 - 5000	74366	99.64	6081887	6.91
2.	5001 - 10000	97	0.13	672364	0.76
3.	10001 - 20000	37	0.05	530096	0.60
4.	20001 - 30000	21	0.03	524602	0.60
5.	30001 - 40000	15	0.02	531019	0.60
6.	40001 - 50000	14	0.02	621519	0.71
7.	50001 - 100000	26	0.03	1791087	2.03
8.	100001 and above	61	0.08	77264193	87.78
	TOTAL	**74,637**	**100.00**	**8,80,16,767**	**100.00**

Shareholding Pattern as on March'23:

Sr. No.	Description	No. of Holders	Total Shares	% Equity
1.	Promoters	1	17705532	20.12
2.	Foreign Promoters	1	11742592	13.34
3.	Mutual Funds	13	5106736	5.80
4.	Alternative Investment Fund	13	1924882	2.19
5.	Qualified Institutional Buyer	5	369645	0.42
6.	Foreign Portfolio – Corp	68	12885082	14.64
7.	Foreign Portfolio – Corp	6	925427	1.05
8.	Directors	1	803383	0.91

Directors' Report

Sr. No.	Description	No. of Holders	Total Shares	% Equity
9.	Key Management Personnel	2	39737	0.05
10.	Employees	71	555428	0.63
11.	Resident Individuals	69525	7430549	8.44
12.	Non-Resident Indian Non Repatriable	589	222243	0.25
13.	Non-Resident Indians	1165	388746	0.44
14.	Foreign Corporate Bodies	1	25191802	28.62
15.	Bodies Corporates	384	2454297	2.79
16.	Resident Individuals	11	9309	0.01
17.	Clearing Members	22	27342	0.03
18.	Trusts	5	3371	0.00
19.	H U F	1848	230664	0.26
	Total	**73,731**	**8,80,16,767**	**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	Amount in ₹ Crs
Term Loan	ICRA	AA-	Stable	3,500
	India Ratings	AA-	Stable	2,300
	CARE	AA-	Stable	44.23
Commercial Paper	ICRA	A1+	-	100
	India Ratings	A1+	-	100
Non-Convertible Debentures	ICRA	AA-	Stable	131
	India Ratings	AA-	Stable	400

During the year, considering the steady growth, strong profitability and robust balance sheet, rating agencies upgraded the credit rating of the Company. Both ICRA and CARE upgraded the rating from A+ to AA- (stable) in June 2022.

Directors' Report

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'23, 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 Listing 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 prior to 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 Listing 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 of Schedule II of the SEBI Listing Regulations, the MD & 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.

Directors' Report

Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

The 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, 2023, 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.	4.00
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.	1.74
Total	**5.74**

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 and the internal auditor directly reports to the audit committee .

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. There was no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of SEBI Listing Regulations.

For and on behalf of the Board of Directors

Deepak Satwalekar **Chairman & Independent Director** **DIN: 00009627**	**Manoj Viswanathan** **Managing Director & CEO** **DIN: 01741612**

Directors' Report

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 FY23.

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Date: May 2, 2023
Place: Mumbai

Directors' Report

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, 2023, 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, 2022 to March 31, 2023.

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 2, 2023

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639E000234810

Directors' Report

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 at 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 i.e. 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, 2023 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. No.	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. Divya Sehgal	01775308	10.06.2017
7.	Mr. Narendra Ostawal	06530414	15.10.2020
8.	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 2, 2023

Aashish K. Bhatt

Designated Partner

Membership No.: 19639

UDIN: A019639E000234788

Directors' Report

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023, 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, 2023, 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; and

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - Not Applicable;

Directors' Report

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.

We have examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of the Company Secretaries of India; and

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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 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 that 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 FY22;
(ii) Approval for increase in remuneration of Managing Director & CEO for FY23;
(iii) Allotment of Equity shares pursuant to exercise of options of ESOP II Scheme and ESOP 2012 Scheme;
(iv) Adoption of various policies;
(v) Issuance and allotment of non-convertible debentures on private placement basis;
(vi) The Company has obtained Member's approval for the following special businesses:
(i) Retirement of Director;
(ii)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;
(iii) Approval 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;

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai

Date: May 2, 2023

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639E000234513

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

Directors' 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 2, 2023

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639E000234513

Directors' Report

Annexure V

REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY23

1. **A brief outline on CSR policy of the Company**:

Home First Finance Company India Limited (hereinafter referred to as **'HomeFirst'**) 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 includes 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.

Our 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 (including construction of toilets) and availability of safe drinking water.

b. Education and livelihood: Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

c. Environment: Ensuring environmental susta-inability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.

2. **Composition and Meetings of CSR Committee:**

The members of the CSR Committee as at March'23 were:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Ms. Geeta Dutta Goel	Independent Director	2	2
Ms. Sucharita Mukherjee	Independent Director	2	1
Mr. Manoj Viswanathan	Managing Director & CEO	2	2

Directors’ Report

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. Composition of CSR Committee

   2. CSR Policy

   3. CSR Projects on website

4. **Executive Summary along with web-link(s) 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. (a) Average net profit of the Company as per sub section (5) Section 135: ₹**15,578.88 Lakhs**
   (b)Two percent of the average net profit of the Company as per section (5) Section 135: **The Company is required to spend ₹311.58 Lakhs towards CSR.**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – **NIL**
   (d) Amount required to be set off for the financial year, if any- **NIL**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. – ₹ **311.58 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **307.25 Lakhs**
   (b) Amount spent in Administrative Overheads: ₹ **8.95 Lakhs**
   (c) Amount spent on Impact Assessment,if applicable: **NIL**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **316.20 Lakhs**
   (e) CSR amount spent or unspent for the Financial Year: **NIL**
   (f) Excess amount for set-off, if any: **NIL**

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Not Applicable**:

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **Not Applicable**

For and behalf of **Board of Directors**

Manoj Viswanathan	**Geeta Dutta Goel**
Managing Director & CEO	**Independent Director**
DIN: 01741612	**Chairperson of CSR Committee**
	DIN: 02277155

Directors' Report

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 as on March 31, 2023.</td><td>
<table>
<tr><th>Name</th><th>Ratio</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>43 : 1</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>6 : 1</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td>0 : 1</td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>4 : 1</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>6 : 1</td></tr>
<tr><td>Mr. Narendra Ostawal</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>
</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 FY23.</td><td>
<table>
<tr><th>Name</th><th>Percentage (Increase/Decrease)</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>10% effective Apr'22</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>0.7%</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td>-</td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>41.7%</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>229.4%</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>Ms. Nutan Gaba Patwari</td><td>14% effective Apr'22</td></tr>
<tr><td>Mr. Shreyans Bachhawat</td><td>22% effective Apr'22</td></tr>
</table>
* (Annualise increment % is given above)
Ms. Sucharita Mukherjee and Mr. Anuj Srivastava had been paid remuneration in FY22 on pro-rata basis from the date of their appointment. However, they have been paid remuneration in FY23 for the full year therefore there is a significant percentage increase in their remuneration. Sitting fees paid to the Independent Directors is part of the remuneration.
</td></tr>
</table>

Directors' Report

Sr. No.	Particulars	Details
3.	The percentage increase in the median remuneration of employees in the financial year.	12% PA effective Apr'22. *(Annualised increment % is given above)
4.	The number of permanent employees on the rolls of company.	993 as on March 31, 2023.
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 = 11% PA effective Apr'22 (Annualised). Average percentile increases made in the salaries of managerial personnel in the last financial year = 15% PA effective Apr'22 (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 nomination and compensation 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.

Directors' Report

Annexure VII

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

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:	Start Date	End Date
Current Financial Year	1st April 2022	31st March 2023
Previous Financial Year	1st April 2021	31st March 2022
Prior to Previous Financial year	1st April 2020	31st March 2021

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: **₹ 176,033,534**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:,

Name	Mr. Shreyans Bachhawat, Company Secretary
Contact	+91 22 6694 0386
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%

Directors' Report

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
National	Not Applicable*	111**
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 12 different sub-offices in the same building. If we count these sub-offices separately then the total number of offices for HomeFirst is 123.

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 69.5% of our Gross Loan Assets, and self-employed customers account for 30.3% of our Gross Loan Assets, as of March 31, 2023. Our salaried customers are typically employed by small firms or work in junior positions in companies, while our self-employed customers are generally small business owners. the monthly incomes of our customers for majority of our customers range between ₹ 20,000 to ₹ 50,000 per month.

Directors' Report

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
		EMPLOYEES				
1.	Permanent (D)	993	752	75.73%	241	24.27%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	993	752	75.73%	241	24.27%
		WORKERS				
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

b) Differently abled Employees and workers:

S. No.	Particulars	Total	Male		Female	
		(A)	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	8	2	25.00%
Key Management Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers:

	FY 2023 (Turnover rate)			FY 2022 (Turnover rate)			FY 2021 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	38.69%	43.04%	39.80%	37.83%	33.41%	36.54%	18.51%	15.80%	17.64%
Permanent Workers	-	-	-	-	-	-	-	-	-

Directors' Report

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 ₹) 790.99 Crs
(iii) Net worth (in ₹) 1817.34 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 2023 Current Financial Year			FY 2022 Previous 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		0	0	
Customers	Yes	397	0		288	0	
Value Chain Partners	Yes	0	0		0	0	
Others (please specify)							

Link for Customer Grievance Redressal Policy: https://homefirstindia.com/policy/complaints-grievances/

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:

Directors' Report

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. - 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.	- As a part of property assessment process, HomeFirst has clearly called out criteria for selecting properties that can be financed. - 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 values to get an independent opinion on suitability of location and other regulatory aspects.	Funding such high-risk properties may lead to financial losses to HomeFirst. Reasons being, such properties may lead to - loss of life (i.e., Borrower, other surrounding habitats) and /or - 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

Directors' Report

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 home financing and make it a meaningful part of overall portfolio. HomeFirst has partnered with IFC to take the Green Home initiative to the next level. We are trying to build a portfolio of green buildings in the affordable, self-build segment. IFC has extended a line of credit to HomeFirst worth ₹ 280 Crs to be utilized towards AFH retail buyers and developing the green portfolio. Also, we continue to build on the 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 (46% of total in FY23) • E-Stamping (~60% of total in FY23) • E-NACH mandates (~65% in FY23)								

Directors' Report

	• We have Equal Opportunity Policy, Parental Leave Policy and a formal talent pipeline development strategy. • During the period FY23, 14,240 manhours of training vs 5288 in FY22 to employees through various courses and trainings. • On women representation, about ~24% are women, with 52% women at head office and 22% women in senior management. • Overall, 90% loans have woman as borrower. Primary applicant in 16% of AUM + atleast 1 woman co-borrower in 74% of AUM. • EWS and LIG customers account for more than 68% of AUM. • We have prepayment facility provided on the Customer App to "nudge" customers towards prudent finance management. • 93% of active customers are registered on HomeFirst Customer Portal App. Android Rating is 4.2 (12Apr'23). • Helped 38,521 customers to claim PMAY subsidy. Received ₹ 966.7 Crs till date as PMAY subsidy which was credited to customers account. • 7 of 8 Directors are non-executive, 4 of 8 Independent Directors and 2 of 8 Woman 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. 35	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Manoj Viswanathan Managing Director & CEO DIN: 01741612
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 is also overlooking the ESG & sustainability related aspects identified by the company.

Directors' Report

	As on the date of publishing the report, we have enhanced the scope of CSR Committee by including ESG related aspects. The Committee is thereafter renamed as CSR and ESG Committee which is supervised by the Board. 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																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.	Various processes, operations and compliances of the Company are subjected to review by different agencies like internal auditor, statutory auditor, regulator, credit rating agencies as applicable. The policies are reviewed periodically (atleast annually) and amended as per need with the approval of the Board.								

Directors' Report

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 its 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
- Environment Management Policy
- Human Rights Policy

Directors' Report

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 withintegrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	The Board members were apprised of various develo-pments on the ESG front and educated basis topics such as Green Housing, GHG emissions, Green initiatives under-taken during the year. The ESG-BRSR training covered the 9 principles as per BRSR. Further the training also covered ESG reporting standards such as GRI, Integrated Reporting Framework, UN SDGs as well as Greenhouse Gases. Further trainings were provided on POSH, Cyber-security, Code of Conduct, Health & Safety	100%
Key Management Personnel	3		100%
Employees other than BoD and KMPs	1		97%
Workers	NA	NA	NA

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):

Directors' Report

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	Nil				
Settlement					
Compounding fee					
Non Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil				
Punishment					

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.
   Link: https://homefirstindia.com/files/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf

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 2023 Current Financial Year	FY 2022 Previous Financial Year
Directors	Nil	Nil
KMPs		
Employees		
Workers		

Directors' Report

6. Details of complaints with regard to conflict of interest:

	FY 2023 Current Financial Year		FY 2022 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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) Provide details of the entity have in place to avoid/manage conflicts of interests involving members of the Board.
   - 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.

Directors' Report

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	0.35	0.17	
Technology and Software Fees	14.30	10.00	

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. We believe these expenses are an investment to stay relevant, competitive and efficient in today's digital world. The technology expenses help us to improve customer experiences, manage, and analyze large amounts of data.

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.

   - Since the company is in the business of providing housing finance. Hence, unlike manufacturing companies, the scope is limited for using inputs which are made of recycled material. In the previous fiscal year, the Company had adopted and an e-waste policy in the previous fiscal and had 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.

Directors' Report

64910	Housing Finance Activities	100%	FY 2022- 23	No	The entire life cycle assessment of company's business operations is presented in the Public Offer Document of the company. Web-link RHP 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

Directors' Report

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 2023 Current Financial Year	FY 2022 Previous 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 2023 Current Financial Year			FY 2022 Previous 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 120 units in FY23 and 161 units in FY22.*

Directors' Report

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	

Directors' Report

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 (A)	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 Workers											
Male	752	752	100	752	100	NA	NA	752	100	NA	NA
Female	241	241	100	241	100	241	100	NA	NA	NA	NA
Total	993	993	100	993	100	241	100	752	100	NA	NA
Other than Permanent Workers											
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 Workers covered by										
	Total (A)	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 Workers											
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 Workers											
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

Directors' Report

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023 Current Financial Year			FY 2022 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	993	100	Y	851	100	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						

The option to invest in NPS was introduced in the previous financial year and received a great response in the current financial year with 14 employees availing of the same (compared to 8 employees in the previous fiscal).

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.

- Homefirst did not have any disabled employees on its roll as at the end of last fiscal year. 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.
  Link: https://homefirstindia.com/files/Equal%20Opportunity%20Policy.pdf

Directors' Report

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	33%	NA	NA
Female	100%	64%	NA	NA
Total	100%	59%	NA	NA

Retention Rate: Out of 3 males who applied for paternity leave in FY22, 1 resigned in FY22 and 1 resigned in FY23 and 1 has resumed work. Out of 14 females who applied for maternity leave in FY22, 2 resigned in FY22, 3 resigned in FY23 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	Yes.
Other than Permanent Employees	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 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total employees / workers in 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	NA					

Directors' Report

Permanent Workers	
- Male	NA
- Female	NA

8. Details of training given to employees and workers:

Category	FY 2023 Current Financial Year					FY 2022 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	752	402	53	339	45	618	-	-	247	40
Female	241	166	69	173	72	233	-	-	60	26
Total	993	567	57	510	51	851	-	-	307	36
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

In addition to trainings conducted on health and safety, we undertake steps to create awareness regarding observing certain rules while on road and while at office. We also conducted fire safety drill to educate the employees on how to use the fire extinguisher and act during emergency. 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 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	752	752	100	618	618	100
Female	241	241	100	233	233	100
Total	993	993	100	851	851	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.
- 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.
- Additionally, trainings are conducted to build awareness about occupational health and safety.

Directors' Report

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.

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. Incase of any hazard or emergency incident, the employee can reach out to the HR team/Business head/Department head and report the incident. Additionally, the employee may seek assistance for health insurance. To ensure healthy and safe working environment is the objective of the Health and Safety Policy.

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 2023 Current Financial Year	FY 2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NA	NA
Total recordable work related injuries	Employees	NIL	NIL
	Workers	NA	NA
No of fatalities	Employees	NIL	NIL
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NA	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. During the year, fire safety and evacuation drill was conducted to educate the employees on conduct to be observed during such emergency and how to use the fire extinguisher. Such drills are conducted with an objective to maintain safety standards at workplace. Homefirst has partnered with healthi to provide annual health check-up program. This covers services such as blood tests, general check-up as well as free consultation.

Directors' Report

13. Number of Complaints on the following made by employees and workers:

	FY 2023 Current Financial Year			FY 2022 Previous 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.

- Health and safety trainings were conducted during the year to educate the employees about workplace safety.

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 service providers, banks, 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:

Directors' Report

	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 2023 Current Financial Year	FY 2022 Previous Financial Year	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Employees	NIL	NIL	NIL	NIL
Workers	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 3 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 are assessed
Health and 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.

Directors' Report

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential 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 service providers 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 (Annualy/ Half/ Quarterly/ Other- 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 CarePhone 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	Ongoing	•Training and development sessions •Wellness and counselling

Directors' Report

		•Appraisal Process •Online Surveys •Employee Engagement Initiatives		sessions •Employee Welfare Schemes
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 • Email, SMS, newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/conferenc es.	Ongoing	•To stay abreast of developments in theCompany •Compliance •Economic performance •Governance and Ethical practices
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	Email, one-on-one meetings, concalls, video conference	Ongoing	Keep abreast of developments of the Company
Communities & NGOs	No	•Project Assessment reviews •Joint assessment of projects	Ongoing	Implementation of CSR Initiatives and status of the initiatives undertaken

Directors' Report

		•Community welfare programs		
Channel partners & Key Partner includings 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, quarterly update on Company's ESG initiatives and action plan and achievements against the plan proposed was presented to the Board. 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. Additionally, during the quarterly Board Meetings, an update on developments on the ESG front is discussed. The same is presented in the quarterly investor presentation and uploaded on the Company's website as well as the Stock Exchanges 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. During the year, we were rated by MorningStar Sustainalytics – they provided the company with feedback and scope for improvement. Further, we have tied up with IFC for their advisory services on Green Housing. We also undertook Perception survey to understand the investor sentiments regarding the ESG initiatives undertaken by the Company. All these steps enable us to get better inputs on managing the business in a better manner.

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 38,521 customers to claim ₹ 966.7 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. 68

Directors' Report

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential 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 FY22 and FY23. However, the company is in advanced stages to develop a module for training the employees on human rights issues.

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent						
Other than permanent						
Total Employees						
Workers						
Permanent						
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023 Current Financial Year					FY 2022 Previous 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	**993**	**-**	**-**	**993**	**100**	**851**	**-**	**-**	**851**	**100**
Male	752	-	-	752	100	618	-	-	618	100
Female	241	-	-	241	100	233	-	-	233	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**

Directors' Report

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)	2	22,60,000	1	28,00,000
Key Managerial Personnel*	2	1,15,86,480	1	1,67,97,992
Employees other than BoD and KMP	750	5,26,904	240	5,01,088
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 as well. Home First believes that an empowered workforce is the best way to receive feedback and identify improvement areas. The following grievance mechanism provides all employees, vendors, suppliers and customers a secure and 24x7 access to raise grievances and to report confidentially without fear of retaliation:
   - Whistleblower Policy
   - Policy on Prevention and Redressal of Sexual Harassment at Workplace
   - Human Resources Team
   - Grievances Redressal Policy

   Additionally, through media or for a such as emailers, team and individual meetings with business and HR leaders, we continuously engage with employees to create awareness, understand and address grievances.

6. Number of complaints on the following made by employees and workers:

	FY 2023 Current Financial Year			FY 2022 Previous 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	NIL	NIL	No complaints received during the year	1	NIL	There was one complaint raised during the year which is duly resolved.
Discrimination at Workplace	NIL	NIL	No complaints received	NIL	NIL	No complaints received
Child Labour	NIL	NIL		NIL	NIL	

Directors' Report

Forced Labour/ Involuntary Labour	NIL	NIL	during the year	NIL	NIL	during the year
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)
Sexual Harassment	NIL.
Discrimination at workplace	
Child Labour	
Forced/ involuntary labour	
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

Directors' Report

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)
Sexual Harassment	NIL. No specific assessments have been carried out to this effect by the Company.
Discrimination at workplace	
Child Labour	
Forced/ involuntary labour	
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.

Directors' Report

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:

   We have set up systems to understand our GHG Scope 1 and Scope 2 emissions. We have tracked our electricity consumption for the current fiscal.

Parameter	FY 2023 Current Financial Year		FY 2022 Previous Financial Year	
	kWh	TJ	kWh	TJ
Total electricity consumption (A)	618795.76 kWh	2.23 Terajoules	Not tracked	Not tracked
Total fuel consumption (B)	Not tracked	Not tracked	Not tracked	Not tracked
Energy consumption through other sources (C)				
Total energy consumption (A+B+C)	618795.76 kWh	2.23 Terajoules	Not tracked	Not tracked
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	782.31 KWh/₹ crores of turnover	0.003 Terajoules/ ₹crores of turnover	Not tracked	Not tracked
Energy intensity (optional) –the relevant metric may be selected by the entity	623.16kWh/ employee	0.002 TJ/employee	Not tracked	Not tracked

   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.

   Yes. The Company has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HomeFirst Finance's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining its carbon emissions pertaining to its own operations. The Company has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting subscript and accounts subscript the following greenhouse gas emissions: carbon dioxide subscript, methane (CH_4), nitrous oxide (N_2O) and hydrofluorocarbons (HFCs, HCFCs).

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 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		

Directors' Report

(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	Unit	FY 2023 (Current Financial Year)	FY 2022 (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:

Directors' Report

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	15.02	
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	439.34	
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.57 Metric tonnes of CO_2 equivalent / ₹ crores of turnover	
Total Scope 1 and Scope 2 emission intensity *(optional)* the relevant metric may be selected by the entity		0.46 Metric tonnes of CO_2 equivalent / employee	

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.

Yes. The Company has partnered with Centre for Environmental Research & Education (CERE), a leading research institution in the fields of sustainability and climate change, to help measure and monitor company's carbon footprint.CERE provides technical and domain expertise and assists the Company in determining its carbon emissions pertaining to its own operations.CERE has brought its extensive expertise in the technical and domain aspects of GHG Inventorisation to support Company's efforts to accurately determine the carbon footprint associated with its operations in India. HomeFirst Finance has successfully assessed its carbon footprint across all its office locations.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- HomeFirst has partnered with IFC to take the Green Home initiative to the next level. We are trying to build a portfolio of green buildings in the affordable, self-build segment. IFC has extended a line of credit to HomeFirst worth ₹280 Crs to be utilized towards AFH retail buyers and developing the green portfolio. In collaboration with the advisory wing of IFC, we are creating a complete green housing framework for the evaluation and certification process. As a part of the initial steps for the same, IFC has been instrumental in training our teams. They are helping us conduct green audits across markets to evaluate and finalize Green Certification parameters. Once the framework is complete, we can drive further awareness and promotions around Green Housing. A green subsidy of 2.4% on home loan amounts has also been proposed to nudge customers toward green-certified homes.

Directors' Report

- We have also undertaken Green initiatives under CSR. Continuing our contributions towards a green and cleaner environment, this year HomeFirst provided 40,000+ fruit tree saplings to marginal farmers to help them in developing an extra source of income. We have also provided 5 solar pumps in Palghar District along with drip irrigation facility to provide relief to farmers from the shortage of water. In order to promote the use of green energy and ensure regular power supply we have also installed solar panel at Senior Citizens Home.
- Additionally, the Company being a tech-driven affordable housing finance company, has digital initiatives in place across the business operations. More details available in Intellectual Chapter on page no. 77

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 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic 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 120 units of e-waste in FY23 and 161 units of e-waste in FY22.*

Directors' Report

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 inolved 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 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 compiled 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 the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

Directors' Report

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 2023 (Current Financial Year)	FY 2022 (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 2023 (Current Financial Year)	FY 2022 (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		

Directors' Report

(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:

   (i) Name of the area : Not applicable

   (ii) Nature of operations: Not applicable

   (iii) Water withdrawal, consumption and discharge in the following format: Not applicable

Parameter	FY 2023 (Current Financial Year)	FY 2022 (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		
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		

Directors' Report

-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.

4. 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 and we have not tracked Scope 3 emissions. However, during the current financial year, we have started tracking our Scope 1 and Scope 2 emissions.

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 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

5. 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

6. 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

Directors' Report

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along - with summary)	Outcome of the initiative
1	Capturing of primary data in softcopy and paperless onboarding of customer	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. No KYC document hardcopies are collected by the RM. The KYCs are digitally captured and stored on the cloud.	Paperless process – saving paper and thereby more eco-friendly.Plus since the data is stored on the cloud and can be accessed real-time by central office – the "paper files" are not required to be circulated. Again saving time and energy of all involved.
2	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.
3	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.
4	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.

Directors' Report

5	Green Homes Initiatives tie-up with IFC	We are trying to build a portfolio of green buildings in the affordable, self-build segment. In collaboration with the advisory wing of IFC, we are creating a complete green housing framework for the evaluation and certification process.	The homes can be green-certified. This measure will in turn help reduce green-house gas emissions.
6	Green CSR – Solar Pumps and Solar Panels installed	We have also provided 5 solar pumps in Palghar District along with drip irrigation facility to provide relief to farmers from the shortage of water. In order to promote the use of green energy and ensure regular power supply we have also installed solar panel at Shree Manav Sewa Sangh Senior Citizens Home.	Using renewable source of energy will help in reducing emissions in the long run.

7. 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.

8. 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.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   - None

Directors' Report

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 1 trade and industry chamber/association

   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. 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

Directors' Report

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

S. 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 INR)

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.

Directors' Report

- For any complaint or grievance, you can contact as per the stages below

a. Level-1

You can contact the nearest physical branch OR alternatively can call at 180030008425 OR write to us at loanfirst@homefirstindia.com for any queries/complaints. Our Branch Manager or Customer Service Team would resolve it within 7 working days from the date of receipt of the complaint.

b. Level – 2

In case we have not met your expectations at Level 1, you can escalate it to the Central Customer Service Team at the following email Id and we would ensure your issue/concern is resolved within 15 working days from the date of escalation or your issue.

Email id – query@homefirstindia.com.

c. Level- 3

In unlikely scenario where you are not satisfied with resolution provided to you at Level-2, you can escalate the complaint to our Grievance Redressal Officer who would ensure that your issue is resolved to your satisfaction within 30 working days of receipt of the complaint in the Corporate Office. You can connect us at the below mentioned address and email id,:
Mr. Gaurav Mohta (Grievance Redressal Officer)
Home First Finance Company India Limited
511, Acme Plaza, Andheri Kurla Road, Andheri (East)
Mumbai – 400 059
Phone: 8880549911
Email: complaints@homefirstindia.com

Alternative Remedy

In case you are still unsatisfied with the resolution provided at Level-3 by our Grievance Redressal Team, pls feel free to approach the National Housing Bank (NHB) via the following modes:

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

Offline mode: Alternatively write to the National Housing Bank in a prescribed format available at https://nhb.org.in/en/complaint-cell-against-hfcs and 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
The complaints can also be mailed at crcell@nhb.org.in

- **CSR GRIEVANCES:** The Company ensures full transparency in its CSR activities and ethical standards for CSR activities are followed. However, in case any stakeholder has any input, queries, grievance or complaint against any CSR Initiative or any implementing agency they can write to the Company at csr@homefirstindia.com or contact us at +91 8880549911.

Directors' Report

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

    - Not applicable

	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and 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: NIL

S. No.	State	Aspirational District	Amount Spent (in ₹)

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

Directors' Report

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Project Sashakt- Catering to 1500+ families of migrant factory workers at Narol, Ahmedabad	7416	100%
2	Sashakt Skilling Centre	654	100%
3	School Development Projects: Establishing Sashakt Science Labs across 6 schools Preventive Health care- Organize healthcheck up camps and construction of Toilets across 4 schools Sustainability- Installation of Solar Panels and installation of LED lights across 3 schools	5400	100%
4	Mahila Shram Shakti Kendra	15151	100%
	Social Security	1834	
	Health and Nutrition	10886	
	Legal Aid and Education	1278	
	Skill Training	632	
	Gender Sensitization	521	
5	Sponsor treatment of 50 children towards elimination of clubfoot disability	50	100%
6	Sponsor treatment of 60 children towards elimination of Cleft lip	60	100%
7	Workplace Safety	645	100%
8	Simply Social- Employee Driven CSR	139	100%
9	Capacity Building at Hospital managed by manav Seva Kalyan Trust	NA	NA
10	Distribution of 40000 fruits trees to marginal farmers	NA	100%
11	Installation of Solar Pumps for marginal farmers	5	100%
12	Installation of Solar Panel at Jeevandhara Vrushashram, managed by Manav Seva Kalyan Trust	NA	NA

Directors' Report

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in 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 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. 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 You can contact the nearest physical branch OR alternatively can call at 180030008425 OR write to us at loanfirst@homefirstindia.com for any queries/complaints. Our Branch Manager or Customer Service Team would resolve it within 7 working days from the date of receipt of the complaint. b. Level – 2 In case we have not met your expectations at Level 1, you can escalate it to the Central Customer Service Team at the following email Id and we would ensure your issue/concern is resolved within 15 working days from the date of escalation or your issue. Email id – query@homefirstindia.com. c. Level- 3 In unlikely scenario where you are not satisfied with resolution provided to you at Level-2, you can escalate the complaint to our Grievance Redressal Officer who would ensure that your issue is resolved to your satisfaction within 30 working days of receipt of the complaint in the Corporate Office. You can connect us at the below mentioned address and email id,: Mr. Gaurav Mohta (Grievance Redressal Officer) Home First Finance Company India Limited 511, Acme Plaza, Andheri Kurla Road, Andheri (East) Mumbai – 400 059 Phone: 8880549911 Email: complaints@homefirstindia.com Alternative Remedy: In case you are still unsatisfied with the resolution provided at Level-3 by our Grievance Redressal Team, pls feel free to approach the National Housing Bank (NHB) via the following modes: Online mode: https://grids.nhbonline.org.in Offline mode: Alternatively write to the National Housing Bank in a prescribed format available at https://nhb.org.in/en/complaint-cell-against-hfcs and 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 The complaints can also be mailed at crcell@nhb.org.in

Directors' Report

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 2023 (Current Financial Year)		Remarks	FY 2022 (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.

Directors' Report

- 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.

Directors' Report

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.

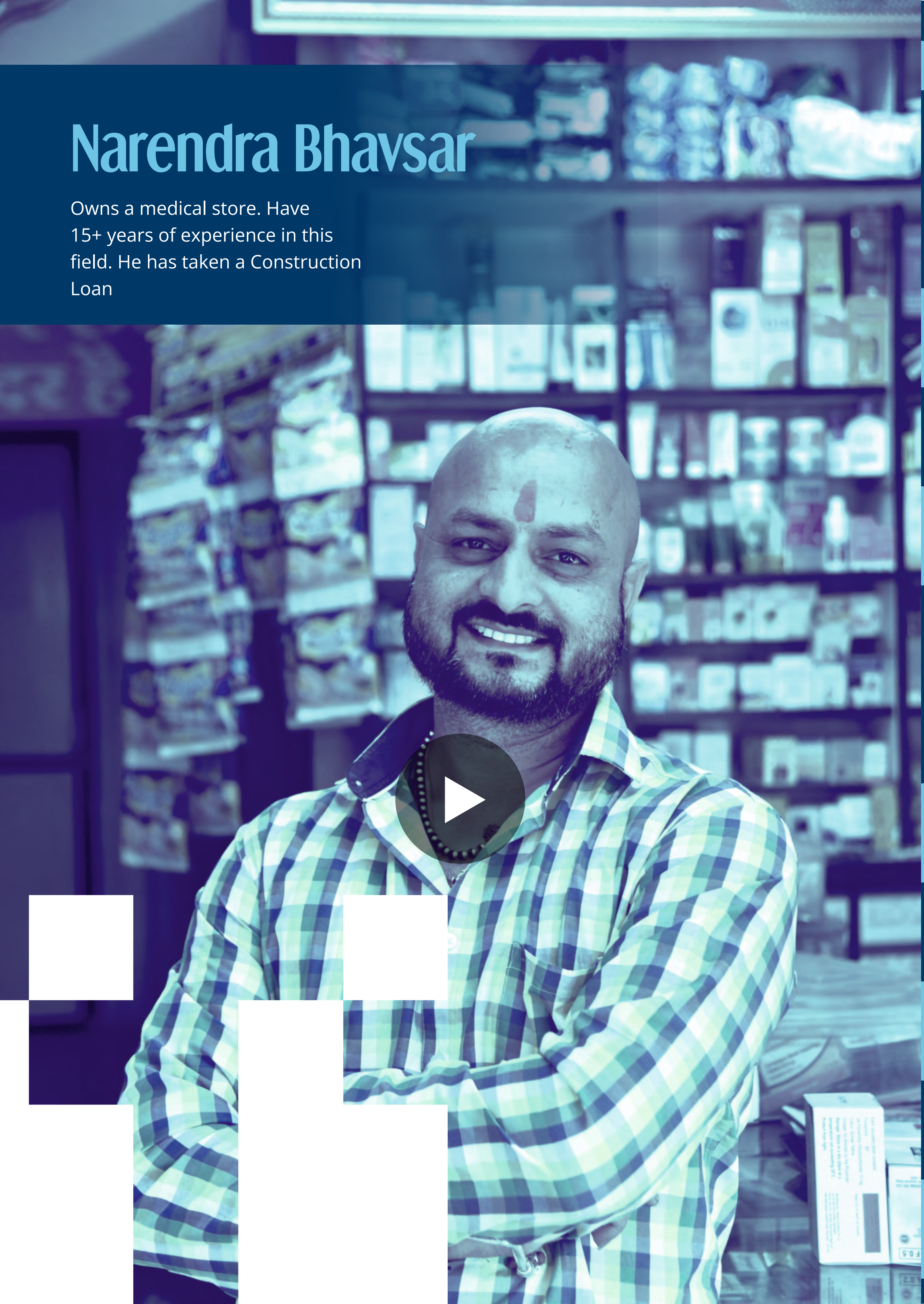
   We are a customer centric organization and believe in taking customer feedback for continuous improvement in our services. We also disclose the net promoter scores in our quarterly investor presentation.

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.

Narendra Bhavsar

Owns a medical store. Have 15+ years of experience in this field. He has taken a Construction Loan



Financial Statements

Auditors' Report

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, 2023, 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, 2023, 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 (SAs) specified under section 143(10) of the Act. 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	
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:	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of impairment of loans. In particular, our procedures include:

Auditors' Report

Key Audit Matter	Auditor's Response
Impairment of loans	
• 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. These 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 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. 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, 2023 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.

Auditors' Report

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 - 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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

Auditors' Report

internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 matter. 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.

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.

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements 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 with reference to financial statements.

Auditors' Report

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 financial statements , 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 50 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 financial statements, 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 50 to the financial statements.

(c) Based on the audit procedures performed that have 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. As stated in note 16 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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: 23109839BGXPXP8941)

Place: Mumbai
Date: May 2, 2023

Auditors' Report

Report on Internal Financial Controls with reference to financial statements

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **HOME FIRST FINANCE COMPANY INDIA LIMITED** (the "Company") as of March 31, 2023 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 with reference to financial statements based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the SAs, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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

Auditors' Report

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.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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: 23109839BGXPXP8941)

Place: Mumbai
Date: May 2, 2023

Auditors' Report

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 as 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, 2023 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, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) During the year, the Company has made investments in, provided security 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 to any other entity during the year. With respect to such investments, security 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, security given 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, 2023, aggregating ₹973.90 million were categorised as credit impaired ("Stage 3") and ₹758.61 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

Auditors' Report

₹58,788.71 million, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹873.64 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 ₹552.58 million. Reasonable steps are being 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 during the year 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 section 186 is not applicable to the Company. 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, 2023 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, 2023.

(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.

Auditors' Report

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 maturity profile of financial assets and financial liabilities provided in Note 52 to 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, 2023.

(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.

Auditors' Report

(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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 23109839BGXPXP8941)

Place: Mumbai
Date: May 2, 2023

Annual Accounts

Balance Sheet as at 31 March 2023

(₹in million)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	2	2,355.65	6,177.60
Bank balance other than cash and cash equivalents	3	628.45	500.89
Loans	4	59,957.00	43,048.66
Investments	5	2,807.99	-
Other financial assets	6	1,240.97	1,164.82
Total financial assets		**66,990.06**	**50,891.97**
Non-financial assets			
Current tax assets (net)	7	6.44	0.69
Deferred tax assets (net)	26.2	28.32	-
Property, plant and equipment	8	116.35	90.97
Right of use assets	8	137.12	109.00
Other intangible assets	8	3.79	2.35
Other non-financial assets	9	88.17	73.67
Total non-financial assets		**380.19**	**276.68**
Total Assets		**67,370.25**	**51,168.65**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	10		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		149.13	62.05
Debt securities	11	3,469.49	1,687.82
Borrowings (other than debt securities)	12	44,665.24	32,979.85
Other financial liabilities	13	754.46	569.10
Total financial liabilities		**49,038.32**	**35,298.82**
Non-financial liabilities			
Provisions	14	59.56	45.36
Deferred tax liabilities (net)	26.2	-	17.39
Other non-financial liabilities	15	98.98	70.23
Total non-financial liabilities		**158.54**	**132.98**
Total liabilities		**49,196.86**	**35,431.80**
Equity			
Equity share capital	16	176.03	175.27
Other equity	17	17,997.36	15,561.58
Total equity		**18,173.39**	**15,736.85**
Total Liabilities and Equity		**67,370.25**	**51,168.65**

The notes referred to above form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 02 May 2023

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 02 May 2023

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 02 May 2023

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 02 May 2023

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 02 May 2023

Annual Accounts

Statement of profit and loss for the year ended 31 March 2023

(₹ in million, except per share data)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
Interest income	18	7,222.24	5,116.95
Fees and commission income		104.08	13.18
Net gain on fair value changes	19	178.81	136.72
Net gain on derecognition of financial instruments under amortised cost category		380.37	678.34
Other operating income	20	24.35	11.51
Total revenue from operations		**7,909.85**	**5,956.70**
Other income	21	46.13	0.31
Total income		**7,955.98**	**5,957.01**
Expenses			
Finance costs	22	3,042.89	2,156.67
Impairment on financial instruments	23	215.23	250.22
Employee benefits expense	24	1,070.13	807.70
Depreciation and amortisation	8	90.66	75.21
Other expenses	25	584.87	404.26
Total expenses		**5,003.78**	**3,694.06**
Profit before tax		**2,952.20**	**2,262.95**
Tax expense:			
- Current tax	26	714.51	446.83
- Deferred tax	26	(45.23)	75.27
- Tax pertaining to earlier years	26	-	(120.13)
Total tax expense		**669.28**	**401.97**
Profit after tax		**2,282.92**	**1,860.98**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(1.89)	(4.27)
- Income tax relating to items that will not be reclassified to profit or loss		0.48	1.07
Other comprehensive income, net of income tax		**(1.41)**	**(3.20)**
Total comprehensive income		**2,281.51**	**1,857.78**
Earnings per equity share	27		
Basic earnings per share (₹)		26.01	21.26
Diluted earnings per share (₹)		25.20	20.54
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: 02 May 2023

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 02 May 2023

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 02 May 2023

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 02 May 2023

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 02 May 2023

Annual Accounts

Statement of changes in equity for the year ended 31 March 2023

Equity share capital (Refer note 16) (₹in million)

Particulars	No. of shares	Amount
Balance as at 1 April 2021	**8,73,99,727**	**174.80**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	**8,73,99,727**	**174.80**
Changes in equity share capital during the year	2,33,976	0.47
Balance as at 1 April 2022	**8,76,33,703**	**175.27**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2022	**8,76,33,703**	**175.27**
Changes in equity share capital during the year	3,83,064	0.76
Balance as at 31 March 2023	**8,80,16,767**	**176.03**

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 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 received 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**
Balance as at 1 April 2022	**-**	**916.94**	**11,003.57**	**137.54**	**3,512.58**	**(9.05)**	**15,561.58**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1 April 2022	**-**	**916.94**	**11,003.57**	**137.54**	**3,512.58**	**(9.05)**	**15,561.58**
Profit for the year	-	-	-	-	2,282.92	-	2,282.92
Other comprehensive income / (loss) for the year	-	-	-	-	-	(1.41)	(1.41)
Expenses on employee stock options scheme for the year	-	-	-	112.30	-	-	112.30
Transfer to statutory reserves from retained earnings	-	459.00	-	-	(459.00)	-	-
Premium on issue of share capital	-	-	41.97	-	-	-	41.97
Exercise of stock options outstanding	-	-	9.85	(9.85)	-	-	-
Share options lapsed	-	-	-	(0.10)	0.10	-	-
Balance as at 31 March 2023	**-**	**1,375.94**	**11,055.39**	**239.89**	**5,336.60**	**(10.46)**	**17,997.36**

The notes referred to above form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration No.: 117365W

G. K. Subramaniam
Partner
Membership No.: 109839
Place: Mumbai
Date: 02 May 2023

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 02 May 2023

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 02 May 2023

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 02 May 2023

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 02 May 2023

Annual Accounts

Statement of cash flows for the year ended 31 March 2023

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	2,952.20	2,262.95
Adjusted for:		
Interest income on term loans	(6,824.97)	(4,770.44)
Interest on borrowings and debt securities	3,032.56	2,148.15
Income on derecognised (assigned) loans	(14.92)	(373.10)
Depreciation and amortisation	90.66	75.21
Interest income on bank deposits	(94.48)	(127.78)
Interest income on investments	(67.86)	-
Loss on sale of property, plant and equipment (net)	0.23	1.22
Financial lease liability	10.16	8.31
Unrealised gain on investments	(4.29)	7.33
Impairment on financial instruments	215.23	250.22
Fair valuation of ESOPs	112.30	46.74
Operating profit before working capital changes and adjustment for interest received and paid	**(593.18)**	**(471.19)**
Adjustment for working capital:		
- (Increase) in loans given	(17,121.19)	(10,022.23)
- (Increase)/ Decrease in other financial assets	(61.32)	209.56
- (Increase) in other non financial assets	(13.48)	(2.80)
- Increase in trade payables	87.08	13.58
- Increase in other financial liabilities	37.79	85.54
- Increase in other non financial liabilities	29.16	9.69
- Increase in provisions	8.47	6.93
Cash used in operating activities before adjustment for interest received and paid	**(17,626.67)**	**(10,170.92)**
- Interest income received	6,824.15	4,765.63
- Interest expense paid	(2,988.02)	(2,228.16)
Cash used in operating activities	**(13,790.54)**	**(7,633.45)**
Income tax paid (net)	(720.26)	(436.81)
Net cash (used in) operating activities [A]	**(14,510.80)**	**(8,070.26)**
Cash flows from investing activities:		
Purchase of property, plant and equipment and other intangible assets	(71.54)	(35.24)
Proceeds from sale of property, plant and equipment and other intangible assets	0.07	0.65
Purchase of investments	(46,803.19)	(31,684.10)
Proceeds from redemption of investments	44,045.64	35,426.92
Placement of bank deposits	(7,678.45)	(12,985.98)
Proceeds from bank deposits	7,552.46	17,172.63
Interest received on bank deposits	92.91	144.75
Interest received on investments	21.71	-
Net cash (used in)/ generated from investing activities [B]	**(2,840.39)**	**8,039.63**
Cash flows from financing activities:		
Proceeds from issuance of share capital (including share premium)	42.73	28.12
Share application money (adjusted)/ received	-	(0.11)
Share issue expenses	-	(1.11)
Proceeds from borrowings from banks and financial institutions	21,540.00	13,070.00
Repayment of borrowings from banks and financial institutions	(9,780.79)	(8,251.53)
Repayment of lease liability	(57.88)	(46.11)
Proceeds from issue of non-convertible debentures	2,800.00	990.00
Repayment of debt securities	(990.00)	(1,700.00)
Proceeds from/ (Repayment of) demand loans	(24.82)	24.80
Net cash generated from financing activities [C]	**13,529.24**	**4,114.06**

Annual Accounts

Statement of cash flows for the year ended 31 March 2023

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net (decrease) / increase in cash and cash equivalents [A+B+C]	**(3,821.95)**	**4,083.43**
Cash and cash equivalents at the beginning of the year	6,177.60	2,094.17
Cash and cash equivalents at the end of the year (Refer note 2)	**2,355.65**	**6,177.60**
Components of cash and cash equivalents:		
Cash on hand	0.64	0.37
Balances with banks		
- with banks in current accounts	1,611.76	2,569.07
- deposits with original maturity of 3 months or less	741.88	3,607.37
Others	1.37	0.79
Cash and cash equivalents	**2,355.65**	**6,177.60**

Changes in liabilities arising from financing activities

(₹in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance (Borrowings and debt securities) as at 1 April 2022	34,667.67	30,536.89
Proceeds from borrowings	21,540.00	13,070.00
Proceeds from issue of non-convertible debentures	2,800.00	990.00
Repayments of borrowings	(9,780.79)	(8,251.53)
Repayments of debt securities	(990.00)	(1,700.00)
Proceeds/ (Repayment) of demand loans	(24.82)	24.80
Others	(77.33)	(2.49)
Closing balance (Borrowings and debt securities)	**48,134.73**	**34,667.67**

Statement of Cash flows 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: 02 May 2023

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 02 May 2023

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 02 May 2023

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 02 May 2023

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 02 May 2023

Annual Accounts

Company 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 having its registered head 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 and presentation

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 the 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 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 the 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 of 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 presented in Indian Rupees and are rounded off to the nearest million to two decimal places, unless otherwise indicated. Per share data is presented in Indian Rupee rounded off to two decimal places.

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 considers 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

Annual Accounts

- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

1.2 Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues and expenses during the year, and the reported amounts of assets and liabilities, the disclosure of contingent liabilities, at 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 benefit plans, income taxes, business model assessment, share-based payments, 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 groups 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 the 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)

Annual Accounts

- 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 transactions 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 assets at amortised cost – The financial asset 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 to cash flows on specified dates 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.

Financial assets 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 Investment is not held for trading and the Company irrevocably elects at initial recognition to present subsequent changes in fair value through other comprehensive income (FVOCI).

Annual Accounts

outstanding as at the year end. Exposures with DPD 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 more than 90 days are moved to Stage 3.

Inputs, assumptions and estimation techniques used for estimating ECL: Refer note 4

Derecognition 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, based on 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 Stage 3 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 considers 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

Annual Accounts

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. There was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made during the year ended 31 March 2023 and 31 March 2022.

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 30 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 31 days but less than or equal to 90 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 31 days and less than or equal to 60 days and cases with DPD equal to or more than 61 days and less than or equal to 90 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 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 underconditions that are potentially unfavourable to

Annual Accounts

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.

Derecognition 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 or 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 the 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.

Annual Accounts

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 considers 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

Investments in units of mutual funds are measured at FVTPL and income from these investments are 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

Annual Accounts

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

Annual Accounts

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 or 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 and 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 on 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 contributions 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 or 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 Dividend on equity shares

The Company recognises a liability for distribution of dividend to the equity shareholders when the dividend is authorised and the distribution is no longer at the discretion of the Company. Interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders.

1.15 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

Annual Accounts

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.

1.16 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 reverse 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.

1.17 Share issue expense

Share issue expenses are adjusted from the securities premium account in terms of section 52 of the Act.

1.18 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.

1.19 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 as per section 52 of the Act.

1.20 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised for 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.

1.21 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 operating, 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.

1.22 Operating 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

The Ministry of Corporate Affairs ("MCA"), through notification dated 31 March 2023, amended the Companies (Indian Accounting Standards) Rules, 2015, with effect from 01 April 2023.

No new standards as notified by the MCA, through Companies (Indian Accounting Standards) Rules, 2015 are effective for the year ended 31 March 2023.

Annual Accounts

Notes forming part of the financial statements

2 Cash and cash equivalents

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.64	0.37
Balances with banks in current accounts	1,611.76	2,569.07
Deposits with original maturity of 3 months or less	741.88	3,607.37
Others	1.37	0.79
	2,355.65	**6,177.60**

Note: Refer note 11 and 12 (i)

3 Bank balance other than cash and cash equivalents

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than 3 months but less than 12 months*	488.45	360.89
Deposits with original maturity of more than 12 months*	140.00	140.00
	628.45	**500.89**

*Bank deposits include deposits of ₹ 374.02 million (31 March 2022: ₹ 362.00 million) held as security against the bank guarantee provided on behalf of the Company, refer note 12(iv). Also, bank deposits of ₹ 50.00 million (31 March 2022: ₹ 50.00 million) is held as security against the bank overdraft.
Note: Refer note 11 and 12 (I)

4 Loans

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Secured		
Loans carried at amortised cost		
Term loans (gross)*	60,521.22	43,515.16
Total gross	**60,521.22**	**43,515.16**
Less - Impairment loss allowance (Refer note 4.1 (a))	(564.22)	(466.50)
Total term loans (net)	**59,957.00**	**43,048.66**

*The term loans are secured by tangible assets. Further, all the term loans are disbursed in India to parties other than public sector. Term loans includes staff loans amounting to ₹ 148.97 million (31 March 2022: ₹ 75.22 million).

Notes forming part of the financial statements

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 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	37,070.60	589.24	936.23	**38,596.07**	29,289.80	700.46	587.34	**30,577.60**
New assets originated/significant increase in credit risk	23,055.83	81.10	103.36	**23,240.29**	17,237.27	49.77	50.70	**17,337.74**
Assets derecognised or repaid	(9,884.31)	(111.91)	(280.85)	**(10,277.07)**	(8,758.93)	(155.87)	(190.92)	**(9,105.72)**
Amounts written off (Refer note 23)	(8.23)	(4.18)	(101.51)	**(113.92)**	(15.98)	(22.97)	(174.60)	**(213.55)**
Transfers from Stage 1	(642.01)	328.46	313.55	-	(858.99)	409.93	449.06	-
Transfers from Stage 2	179.74	(318.68)	138.94	-	148.51	(396.30)	247.79	-
Transfers from Stage 3	174.83	39.62	(214.45)	-	28.92	4.22	(33.14)	-
Gross carrying amount - closing balance	**49,946.45**	**603.65**	**895.27**	**51,445.37**	**37,070.60**	**589.24**	**936.23**	**38,596.07**

(₹in million)

Home loan	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	106.87	78.97	238.98	**424.82**	91.83	100.41	210.05	**402.29**
New assets originated/significant increase in credit risk	54.08	33.73	209.57	**297.38**	63.40	57.09	158.11	**278.60**
Assets derecognised or repaid	(79.65)	(13.55)	(33.04)	**(126.24)**	(71.40)	(18.75)	(34.54)	**(124.69)**
Amounts written off	(0.56)	(3.06)	(86.40)	**(90.02)**	(0.23)	(6.69)	(124.46)	**(131.38)**
Transfers from Stage 1	(3.86)	1.64	2.22	-	(5.16)	2.35	2.81	-
Transfers from Stage 2	20.39	(40.61)	20.22	-	20.93	(56.54)	35.61	-
Transfers from Stage 3	31.36	8.57	(39.93)	-	7.50	1.10	(8.60)	-
ECL allowance - closing balance	**128.63**	**65.69**	**311.62**	**505.94**	**106.87**	**78.97**	**238.98**	**424.82**

(₹in million)

Loan against property	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	4,061.57	60.92	68.72	**4,191.21**	2,204.42	63.20	19.62	**2,287.24**
New assets originated / significant increase in credit risk	4,705.78	7.10	4.71	**4,717.59**	2,295.37	3.32	1.83	**2,300.52**
Assets derecognised or repaid	(713.48)	(8.80)	(14.42)	**(736.70)**	(369.85)	(11.86)	(13.82)	**(395.53)**
Amounts written off (Refer note 23)	(0.01)	(0.02)	0.15	**0.12**	(0.12)	(0.02)	(0.88)	**(1.02)**
Transfers from Stage 1	(76.60)	49.11	27.49	-	(81.37)	36.08	45.29	-
Transfers from Stage 2	15.04	(28.87)	13.83	-	12.61	(29.80)	17.19	-
Transfers from Stage 3	28.55	5.56	(34.11)	-	0.51	-	(0.51)	-
Gross carrying amount - closing balance	**8,020.85**	**85.00**	**66.37**	**8,172.22**	**4,061.57**	**60.92**	**68.72**	**4,191.21**

Notes forming part of the financial statements

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (cont...): (₹in million)

Loan against property	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	8.56	7.53	11.36	**27.45**	21.25	6.85	4.87	**32.97**
New assets originated/significant increase in credit risk	5.68	2.42	10.62	**18.72**	3.63	4.96	8.03	**16.62**
Assets derecognised or repaid	(8.50)	(1.96)	(2.60)	**(13.06)**	(16.90)	(1.23)	(3.96)	**(22.09)**
Amounts written off	-	-	-	-	(0.04)	-	(0.01)	**(0.05)**
Transfers from Stage 1	(0.19)	0.12	0.07	-	(0.81)	0.35	0.46	-
Transfers from Stage 2	1.25	(3.03)	1.78	-	1.29	(3.40)	2.11	-
Transfers from Stage 3	3.88	1.09	(4.97)	-	0.14	-	(0.14)	-
ECL allowance - closing balance	**10.68**	**6.17**	**16.26**	**33.11**	**8.56**	**7.53**	**11.36**	**27.45**

(₹in million)

Commercial loan	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	478.79	10.28	10.28	**499.34**	362.24	9.68	3.19	**375.11**
New assets originated/ significant increase in credit risk	335.01	2.91	1.77	**339.68**	196.57	0.28	0.33	**197.17**
Assets derecognised or repaid	(102.13)	(0.54)	(2.25)	**(104.92)**	(68.35)	(2.91)	(1.35)	**(72.61)**
Amounts written off (Refer note 23)	-	(0.01)	(0.51)	**(0.52)**	-	-	(0.33)	**(0.33)**
Transfers from Stage 1	(5.98)	2.53	3.45	-	(13.26)	6.80	6.46	-
Transfers from Stage 2	3.17	(6.88)	3.71	-	1.59	(3.57)	1.98	-
Transfers from Stage 3	3.88	0.30	(4.18)	-	-	-	-	-
Gross carrying amount - closing balance	**712.74**	**8.58**	**12.26**	**733.58**	**478.79**	**10.28**	**10.28**	**499.34**

(₹in million)

Commercial loan	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4.50	1.39	2.17	**8.06**	3.52	1.19	0.82	**5.53**
New assets originated/significant increase in credit risk	3.24	0.32	1.53	**5.09**	1.96	1.04	1.57	**4.57**
Assets derecognised or repaid	(1.72)	(0.14)	(0.75)	**(2.61)**	(0.59)	(0.44)	(0.17)	**(1.20)**
Amounts written off	-	-	(0.45)	**(0.45)**	(0.42)	-	(0.42)	**(0.84)**
Transfers from Stage 1	(0.05)	0.02	0.03	-	(0.12)	0.05	0.07	-
Transfers from Stage 2	0.35	(1.04)	0.69	-	0.15	(0.45)	0.30	-
Transfers from Stage 3	0.37	0.03	(0.40)	-	-	-	-	-
ECL allowance - closing balance	**6.69**	**0.58**	**2.82**	**10.09**	**4.50**	**1.39**	**2.17**	**8.06**

Notes forming part of the financial statements

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 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	178.93	49.60	-	**228.54**	466.52	-	11.51	**478.03**
New assets originated/ significant increase in credit risk	-	-	-	**-**	0.22	-	-	**0.22**
Assets derecognised or repaid	(47.96)	(10.53)	-	**(58.49)**	(236.26)	(1.95)	(1.13)	**(239.33)**
Amounts written off (Refer note 23)	-	-	-	**-**	-	-	(10.38)	**(10.38)**
Transfers from Stage 1	(22.31)	22.31	-	**-**	(51.55)	51.55	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Gross carrying amount - closing balance	**108.67**	**61.38**	**-**	**170.05**	**178.93**	**49.60**	**-**	**228.54**

(₹in million)

Construction finance	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.69	4.48	-	**6.17**	4.40	-	7.79	**12.19**
New assets originated/significant increase in credit risk	-	9.82	-	**9.82**	-	3.99	-	**3.99**
Assets derecognised or repaid	(0.46)	(0.45)	-	**(0.91)**	(2.22)	-	(7.79)	**(10.01)**
Amounts written off	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 1	(0.21)	0.21	-	**-**	(0.49)	0.49	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**1.02**	**14.06**	**-**	**15.08**	**1.69**	**4.48**	**-**	**6.17**

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 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	7,341.25	76.85	33.58	**7,451.68**	5,785.15	21.62	33.19	**5,839.96**
New assets originated/significant increase in credit risk	8,690.17	4.45	3.81	**8,698.43**	6,103.22	6.04	1.39	**6,110.65**
Assets derecognised or repaid	(5,879.35)	(56.73)	(19.49)	**(5,955.57)**	(4,460.09)	(10.75)	(28.09)	**(4,498.93)**
Transfers from Stage 1	(33.28)	15.53	17.74	**(0.01)**	(90.68)	72.03	18.65	**-**
Transfers from Stage 2	3.68	(6.01)	2.34	**0.01**	2.76	(12.09)	9.33	**-**
Transfers from Stage 3	0.88	0.80	(1.69)	**(0.01)**	0.89	-	(0.89)	**-**
Gross carrying amount - closing balance	**10,123.35**	**34.89**	**36.29**	**10,194.53**	**7,341.25**	**76.85**	**33.58**	**7,451.68**

Notes forming part of the financial statements

(₹in million)

Loan commitments	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	11.28	-	-	**11.28**	9.48	-	-	**9.48**
New assets originated/significant increase in credit risk	12.86	-	-	**12.86**	9.58	-	-	**9.58**
Assets derecognised or repaid	(9.02)	-	-	**(9.02)**	(7.78)	-	-	**(7.78)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL allowance - closing balance	**15.12**	-	-	**15.12**	**11.28**	-	-	**11.28**

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 more than 90 days past due on its contractual payments and these assets continue to be classified as Stage 3 till the entire overdues are received, in accordance with the RBI guidelines and the ECL Policy.

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 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

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/ or 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.

Notes forming part of the financial statements

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 ₹ 141.61 million (31 March 2022: ₹ 160.27 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 ₹159.04 million (31 March 2022: ₹172.51 million). Value of repossessed assets for loans written off is ₹ 35.12 million (31 March 2022: ₹25.06 million).

5 Investments

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Carried at fair value through profit and loss - Quoted		
Investments in Mutual funds	1,250.04	-
Carried at amortised cost - Quoted		
Investments in Government Securities*	1,557.95	-
Total	**2,807.99**	**-**
Investment in India	2,807.99	-
Investment outside India	-	-
	2,807.99	**-**

*The Company has not recognised any provision under expected credit loss on Investments in Government Securities.

6 Other financial assets

(₹in million)

	As at 31 Mar 2023	As at 31 Mar 2022
Receivables from assigned portfolio*	1,136.04	1,121.12
Less: provision for expected credit loss	(18.14)	(18.74)
Security deposits	25.44	20.73
Salary advance to employees	22.72	19.62
Other deposits	1.09	0.09
Other advances	36.40	14.82
Other receivables	37.42	7.18
	1,240.97	**1,164.82**

*With respect to assignment deals, the Company has created an excess interest strip receivable, with corresponding credit to statement of profit and loss for the year, which has been computed by discounting excess interest spread to present value, in accordance with Ind AS 109.

Notes forming part of the financial statements

7 Current tax assets (net)

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provisions)*	6.44	0.69
	6.44	**0.69**

*Net of provision for tax ₹ 708.34 million (31 March 2022: ₹ 443.06 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 improvements	Right of use assets	Total tangible assets	Computer software	Total other intangible assets
Gross carrying value								
As at 01 April 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**
Additions for the year ended 31 March 2023	7.16	7.19	25.05	23.68	80.69	143.77	3.48	3.48
Sale / deletion for the year ended 31 March 2023	(0.24)	(0.04)	(0.37)	(0.54)	(25.74)	(26.94)	-	-
As at 31 March 2023	**69.70**	**30.93**	**70.43**	**93.38**	**221.14**	**485.57**	**24.54**	**24.54**
Accumulated depreciation / amortisation								
As at 01 April 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**
Charge for the year ended 31 March 2023	6.26	4.28	12.75	14.13	51.21	88.62	2.04	2.04
Sale / deletion for the year ended 31 March 2023	(0.10)	(0.04)	(0.26)	(0.51)	(24.37)	(25.28)	-	-
As at 31 March 2023	**32.20**	**16.91**	**37.82**	**61.16**	**84.02**	**232.10**	**20.75**	**20.75**
Net carrying value								
As at 31 March 2022	**36.74**	**11.11**	**20.42**	**22.70**	**109.00**	**199.97**	**2.35**	**2.35**
As at 31 March 2023	**37.50**	**14.02**	**32.61**	**32.22**	**137.12**	**253.47**	**3.79**	**3.79**

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 2023 and 31 March 2022.

Annual Accounts

Notes forming part of the financial statements

9 Other non-financial assets

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	71.99	60.38
Advance to creditors	4.40	3.97
Capital advances	7.25	2.28
Balance receivable from Government authorities	4.53	7.04
	88.17	**73.67**

10 Trade payables

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	149.13	62.05
	149.13	**62.05**

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. Accordingly, the disclosure in respect of amount payable to such enterprises as mentioned below is based on information received and available with the Company and relied upon by the statutory auditors.

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid	-	-
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	-	-

Annual Accounts

Notes forming part of the financial statements

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 2023					
(i) MSME	-	-	-	-	**-**
(ii) Others	72.88	-	-	-	**72.88**
(iii) Disputed dues - MSME	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	**-**
	72.88	**-**	**-**	**-**	**72.88**
Unbilled dues					76.25
Total					**149.13**
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**

11 Debt securities

(₹in million)

	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Debentures (Secured)	3,469.49	1,687.82
	3,469.49	**1,687.82**
Debt securities in India	3,469.49	1,687.82
Debt securities outside India	-	-
	3,469.49	**1,687.82**

Details of redeemable non convertible debentures

(₹in million)

	Redemption date	Rate of interest (p.a.)	Original Maturity	As at 31 March 2023 Secured	As at 31 March 2022 Secured
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
Series 6	23 December 2025	8.93%	3 to 7 years	2,800.00	-
Total debt securities				**3,500.00**	**1,690.00**
Adjustment of unamortised processing fee (EIR)				(30.51)	(2.18)
Total adjusted debt securities				**3,469.49**	**1,687.82**

The Company has outstanding 700 debentures (31 March 2022: 1,690 debentures) at a face value of ₹1.00 million which are listed on wholesale debt segment of BSE and 2,800 debentures (31 March 2022: Nil) at a face value of ₹1.00 million which are unlisted; 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 the Company's present and future receivables and book debts, cash and cash equivalents and liquid investments, as may be identified by the Company on a time to time basis.

Annual Accounts

Notes forming part of the financial statements

12 Borrowings (other than debt securities)

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Secured		
At amortised cost		
Term loans		
- from banks	34,407.24	20,223.92
- from National Housing Bank (NHB)	9,129.86	11,942.85
- from other parties	1,128.14	788.26
Loans repayable on demand - from banks	-	24.82
	44,665.24	**32,979.85**
Borrowings in India	44,665.24	32,979.85
Borrowings outside India	-	-
	44,665.24	**32,979.85**

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 Limited and Central Bank of India (31 March 2022: ₹ 340.00 million and ₹ 10.00 million) respectively on behalf of the Company to NHB. Total outstanding balance as at 31 March 2023 for such loans is ₹ 3,406.65 million (31 March 2022: ₹ 4,392.60 million).

Terms of repayment of term loans

(₹in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2023 Secured	As at 31 March 2022 Secured
2%-3%	1-5 years	506.73	2,113.16
3%-4%		2,273.67	2,639.10
4%-5%		770.41	1,060.82
6%-7%		4,806.19	3,929.08
7%-8%		215.30	13,300.61
8%-9%		23,702.49	6,790.22
9%-10%		6,794.30	-
10%-11%		764.25	-
2%-3%	5-7 years	213.36	886.83
3%-4%		-	280.82
4%-5%		-	25.17
6%-7%		397.26	-
7%-8%		-	1,702.10
8%-9%		3,377.03	-
9%-10%		330.29	-
10%-11%		160.71	-
2%-3%	7-10 years	116.94	-
6%-7%		-	282.43
8%-9%		208.48	-
8%-9%	More than 10 years	132.14	-
Total borrowings (excluding loans repayable on demand)		**44,769.55**	**33,010.34**
Adjustment of unamortised processing fee (EIR)		(104.31)	(55.31)
Total adjusted borrowings (excluding loans repayable on demand)		**44,665.24**	**32,955.03**

Annual Accounts

Notes forming part of the financial statements

13 Other financial liabilities

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	138.18	62.58
Interest accrued but not due on debt securities	120.06	77.74
Lease liability (Refer note 37)	147.73	118.08
Amounts payable under assignment of receivables (collections made on behalf of assignee)	223.32	210.54
Payable to NHB against credit linked subsidy scheme (CLSS)*	2.54	8.43
Employee benefits payable	84.35	64.72
Other financial liabilities	38.28	27.01
	754.46	**569.10**

*Represents subsidy received earlier to be refunded by the company subsequently.

14 Provisions

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits - gratuity (Refer note 34.2)	37.82	29.71
Provision for employee benefits - compensated absences (Refer note 34 C)	6.62	4.37
Provision for expected credit loss on undisbursed loan commitment (Refer note 4.1(b))	15.12	11.28
	59.56	**45.36**

15 Other non-financial liabilities

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Deferred income	48.11	48.52
Statutory remittances	50.87	21.71
	98.98	**70.23**

16 Share capital

Details of authorised, issued, subscribed and paid-up share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount (₹in million)	No. of shares	Amount (₹in million)
Authorised share capital				
Equity shares of ₹ 2 each	12,50,00,000	250.00	12,50,00,000	250.00
	12,50,00,000	**250.00**	**12,50,00,000**	**250.00**
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each	8,80,16,767	176.03	8,76,33,703	175.27
	8,80,16,767	**176.03**	**8,76,33,703**	**175.27**

i. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2023 and 31 March 2022 is set out below:

Equity shares	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Shares outstanding at the beginning of the year	8,76,33,703	175.27	8,73,99,727	174.80
Add: Shares issued during the year	3,83,064	0.76	2,33,976	0.47
Shares outstanding at the end of the year	**8,80,16,767**	**176.03**	**8,76,33,703**	**175.27**

Annual Accounts

Notes forming part of the financial statements

ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares	% of holding
Orange clove investments B.V.	2,51,91,802	28.62%	2,51,91,802	28.75%
True North Fund V LLP (Formerly known as India Value Fund V LLP)	1,77,05,532	20.12%	1,77,05,532	20.20%
Aether (Mauritius) Limited	1,17,42,592	13.34%	1,17,42,592	13.40%
Bessemer India Capital Holdings II Limited	-	-	68,11,313	7.77%

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 2023.

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 2023		As at 31 March 2022		% 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)	1,77,05,532	20.12%	1,77,05,532	20.20%	-
Aether (Mauritius) Limited	1,17,42,592	13.34%	1,17,42,592	13.40%	-

vii. Dividend

The Board of Directors at their meeting held on 02 May 2023 have proposed dividend of Rs. 2.60 per equity share for the year ended 31 March 2023 (Previous year: Nil), subject to the approval of shareholders at the ensuing Annual General Meeting.

17 Other equity

(₹in million)

	Notes	As at 31 March 2023	As at 31 March 2022
Statutory reserve	17.2	1,375.94	916.94
Securities premium	17.3	11,055.39	11,003.57
Stock option outstanding account	17.4	239.89	137.54
Retained earnings	17.5	5,336.60	3,512.58
Other Comprehensive income	17.6	(10.46)	(9.05)
		17,997.36	**15,561.58**

Annual Accounts

Notes forming part of the financial statements

(₹in million)

17.1 Particulars	As at 31 March 2023	As at 31 March 2022
Statutory reserve		
Opening balance	916.94	541.94
Add: Current year transfer	459.00	375.00
	1,375.94	**916.94**
Securities premium		
Opening balance	11,003.57	10,971.67
Add: Premium on issue of share capital	41.97	27.65
Add: Transferred from employee stock option reserve pursuant to stock options exercised	9.85	5.36
Less: Share issue expenses adjusted in accordance with Section 52 of Companies Act, 2013	-	(1.11)
	11,055.39	**11,003.57**
Stock options outstanding account		
Opening balance	137.54	96.16
Add: Charge for the year	112.30	46.74
Less: Transferred to securities premium pursuant to stock options exercised	(9.85)	(5.36)
Less: Transferred to retained earnings pursuant to stock options lapsed	(0.10)	-
	239.89	**137.54**
Retained earnings		
Opening balance	3,512.58	2,026.60
Add: Profit for the year	2,282.92	1,860.98
Less: Transfer to statutory reserve	(459.00)	(375.00)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	0.10	-
	5,336.60	**3,512.58**
Other Comprehensive Income		
Remeasurements of defined benefit plans		
Opening balance	(9.05)	(5.85)
Add: Other Comprehensive income for the year	(1.41)	(3.20)
	(10.46)	**(9.05)**
	17,997.36	**15,561.58**

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 2023 and 31 March 2022, 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.

Annual Accounts

Notes forming part of the financial statements

18 Interest income

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
On financial assets measured at amortised cost		
Interest on term loans	6,824.97	4,770.44
Interest income on investments	67.86	-
Interest on bank deposits	94.48	127.78
Other interest income*	234.93	218.73
	7,222.24	**5,116.95**

* 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 2023	Year ended 31 March 2022
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	178.81	136.72
	178.81	**136.72**
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes:		
-Realised	174.52	136.72
-Unrealised - MTM gain	4.29	-
Total net gain on fair value changes	**178.81**	**136.72**

*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 2023	Year ended 31 March 2022
Other charges*	24.35	11.51
	24.35	**11.51**

*Other charges mainly include cheque bounce charges, rate reduction charges, etc.

21 Other income

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Other non-operating income	46.13	0.31
	46.13	**0.31**

22 Finance costs

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
On financial liabilities measured at amortised cost		
Interest on borrowings	2,850.96	1,945.25
Interest on debt securities	181.60	202.90
Interest on lease liability (Refer note 37)	10.33	8.52
	3,042.89	**2,156.67**

Annual Accounts

Notes forming part of the financial statements

23 Impairment on financial instruments

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
On financial assets measured at amortised cost		
Impairment loss allowance on loans	101.51	15.36
Write-offs on loans	114.32	225.28
Impairment loss allowance on other receivables	(0.60)	9.58
	215.23	**250.22**

24 Employee benefits expense

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	866.77	705.46
Contribution to provident and other funds (Refer note 34 B)	34.96	27.54
Gratuity expenses (Refer note 34.4)	8.40	5.87
Compensated absences expenses (Refer note 34 C)	2.25	2.00
Expenses on employee stock options scheme	112.30	46.74
Staff welfare expenses	45.45	20.09
	1,070.13	**807.70**

25 Other expenses

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Power and fuel	6.60	4.45
Rent (Refer note 37)	11.13	8.13
Repairs and maintenance	2.57	2.32
Telephone and communication expense	2.60	2.59
Office administrative expenses	11.77	8.50
Marketing and sales promotion expense	23.29	7.58
Auditor’s remuneration (excluding GST)*		
- Statutory audit fees	2.50	1.16
- Limited review fees	1.20	1.21
- Tax audit fees	0.30	0.24
- Other services (certifications, etc.)	1.74	0.93
Legal and professional charges (Refer note 28.2)	95.65	96.81
Director's fees, allowances and expenses	7.32	7.95
Travelling expense	84.28	40.04
Software and technology fees (Refer note 28.2)	143.07	99.98
Rates and taxes	73.56	38.78
Corporate social responsibility expenses (Refer note 38)	31.54	20.49
Bank charges and others	37.75	33.44
Miscellaneous expenses	48.00	29.66
	584.87	**404.26**

*Audit fees for the ear ended 31 March 2022 includes reversal of provision of earlier years amounting to ₹ 1.19 million.

Annual Accounts

Notes forming part of the financial statements

26 Tax expense

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense		
Tax expense for the year	708.34	443.07
Adjustments in respect of current income tax of previous year	6.17	3.76
	714.51	**446.83**
Deferred taxes (net)		
Change in deferred tax assets	(84.65)	(43.52)
Change in deferred tax liabilities	39.42	118.79
Net deferred tax expense	**(45.23)**	**75.27**
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	**669.28**	**401.97**

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 year ended 31 March 2023 and 31 March 2022 is as follows:

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income tax expense	**2,952.20**	**2,262.95**
Income tax rate (Refer para 1.6 - Taxes on income in accounting policy)	25.17%	25.17%
Tax at statutory income tax rate	743.01	569.54
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Items disallowed (net)	44.54	88.24
Provision for special reserve [Sec 36 (1) (viii) and Sec 36 (1) (viia) of Income tax Act, 1961] (Refer note 26.3)	(118.29)	(76.27)
Reversal of Deferred tax liability relating to past years (Refer note 26.3)	-	(136.39)
Others	-	16.26
Impact on account of financial assets and other items	(6.63)	(64.24)
Tax on other comprehensive income	0.48	1.07
Adjustments in respect of current income tax of previous year	6.17	3.76
Income tax expense	**669.28**	**401.97**

Annual Accounts

Notes forming part of the financial statements

26.2 Deferred tax movement related to the following:

(₹in million)

Deferred tax assets / (liability) (net)	As at 31 March 2023	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2022
Deferred tax asset on account of:				
Provision for employee benefits	11.18	(2.12)	(0.48)	8.58
Expected credit loss	150.37	(25.40)	-	124.97
Unamortised processing fee	202.44	(51.99)	-	150.45
Lease liability	38.10	(7.64)	-	30.46
Employee stock option plan (ESOP)	4.09	2.50	-	6.59
	406.18	**(84.65)**	**(0.48)**	**321.05**
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	21.85	5.14	-	16.71
Unamortised borrowing cost	33.93	18.47	-	15.46
Interest income on non performing assets	9.91	(2.07)	-	11.98
Fair valuation of investment in mutual funds	1.08	1.08	-	-
Deduction claimed for provision for bad debts u/s 36(1)(viia)	33.85	10.53	-	23.32
Gain on direct assignment of loans	277.24	6.27	-	270.97
	377.86	**39.42**	**-**	**338.44**
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	**28.32**	**(45.23)**	**(0.48)**	**(17.39)**

(₹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)**

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.

Annual Accounts

Notes forming part of the financial statements

27 Earnings per share (EPS)

	As at 31 March 2023	As at 31 March 2022
Net profit after tax attributable to equity shareholders (₹ in million)	2,282.92	1,860.98
Weighted average number of equity shares for calculating basic EPS (Face value ₹ 2)	8,77,59,811	8,75,24,788
Effect of Dilutive Potential Equity shares - Employee Stock Options	28,24,023	30,66,900
Weighted average number of equity shares for calculating diluted EPS (Face value ₹ 2)	9,05,83,834	9,05,91,688
Earnings per share		
Basic earning per share (₹)	26.01	21.26
Diluted earning per share (₹)	25.20	20.54
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.
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 (up to 10 June 2022)
Key Management Personnel (KMP)	Mr. Narendra Ostawal - Nominee Director
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)

Annual Accounts

Notes forming part of the financial statements

28.2 Transactions during the year with related parties:

(₹in million)

Transactions with	Nature of transactions	Year ended 31 March 2023	Year ended 31 March 2022
Mr. Manoj Viswanathan	Remuneration	19.88	18.84
True North Enterprise Private Limited	Deputing Charges	4.27	6.31
Mr. Sakti Prasad Ghosh	Sitting fees paid	-	1.10
Ms. Sujatha Venkatramanan	Sitting fees paid	-	1.00
Mr. Deepak Satwalekar	Sitting fees paid	0.40	0.60
Mr. Anuj Srivastava	Sitting fees paid	0.50	0.60
Ms. Sucharita Mukherjee	Sitting fees paid	1.50	0.40
Mr. Deepak Satwalekar	Directors' commission	2.42	2.20
Mr. Anuj Srivastava	Directors' commission	1.20	0.60
Ms. Sucharita Mukherjee	Directors' commission	1.30	0.45
Mr. Sakti Prasad Ghosh	Directors' commission	-	0.50
Ms. Sujatha Venkatramanan	Directors' commission	-	0.50
True North Fund V LLP	Reimbursement of expenses received	-	21.13
Aether (Mauritius) Limited	Reimbursement of expenses received	-	14.13
Mr. Manoj Viswanathan	Reimbursement of expenses received	-	0.57
Actify Data Labs Private Limited	Technology fees	-	1.70

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 2023	As at 31 March 2022
Ms. Sujatha Venkatramanan	Payable	-	0.50
Mr. Deepak Satwalekar	Payable	2.42	2.20
Mr. Sakti Prasad Ghosh	Payable	-	0.50
Mr. Anuj Srivastava	Payable	1.20	1.14
Ms. Sucharita Mukherjee	Payable	1.30	0.54
True North Enterprise Private Limited	Payable	0.77	0.72

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 46 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.

Annual Accounts

Notes forming part of the financial statements

Particulars	As at 31 March 2023	As at 31 March 2022
Net total debt including interest accrued and not due thereon (net of cash and cash equivalents) (₹ in million)	46,037.32	28,630.39
Total equity (₹ in million)	18,173.39	15,736.85
Net debt to equity ratio	2.53	1.82

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.

30 Fair value measurement

30.1 Financial instruments by category

(₹in million)

Particulars	Category	As at 31 March 2023	As at 31 March 2022
Financial assets:			
Cash and cash equivalents	Amortised Cost	2,355.65	6,177.60
Bank balance other than cash and cash equivalents	Amortised Cost	628.45	500.89
Loans	Amortised Cost	60,521.22	43,515.16
Less : Impairment loss allowance		(564.22)	(466.50)
Investments			
- Mutual funds	FVTPL	1,250.04	-
- Government Securities	Amortised Cost	1,557.95	-
Other financial assets	Amortised Cost	1,240.97	1,164.82
Total financial assets		**66,990.06**	**50,891.97**
Financial liabilities:			
Trade payables	Amortised Cost	149.13	62.05
Debt securities	Amortised Cost	3,469.49	1,687.82
Borrowings (other than debt securities)	Amortised Cost	44,665.24	32,979.85
Other financial liabilities*	Amortised Cost	606.73	451.02
Total financial liabilities		**48,890.59**	**35,180.74**

* Other financial liabilities exclude liability pertaining to lease liability covered under Indian accounting standard - 116 (31 March 2023: ₹ 147.73 million; 31 March 2022: ₹118.08 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. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 1.

Annual Accounts

Notes forming part of the financial statements

Level 2: The fair value of financial instruments that are not traded in an active market 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, this level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: This level of hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

30.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date

(₹in million)

Particulars	Level 1	
	As at 31 March 2023	As at 31 March 2022
Financial assets measured at FVTPL		
Investments in Mutual funds	1,250.04	-

30.4 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of loans given, excess interest strip receivable, bank deposits and borrowings represents its fair value. Further, the carrying value of cash and cash equivalents, investments in government securities, other financial assets, trade 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 1 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.

Notes forming part of the financial statements

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 62):

As at 31 March 2023 (₹in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	149.13	-	-	-	**149.13**
Debt securities (Refer note (i) below)	699.71	1,661.87	1,107.91	-	**3,469.49**
Borrowings (other than debt securities) (Refer note (i) below)	10,015.75	29,725.54	4,792.19	131.76	**44,665.24**
Other financial liabilities (Refer note (ii) below)	606.73	-	-	-	**606.73**
Total	**11,471.32**	**31,387.41**	**5,900.10**	**131.76**	**48,890.59**

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**

Notes:

(i) Debt securities and borrowings (other than debt securities) 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 2023: ₹147.73 million; 31 March 2022: ₹118.08 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 2023 and 31 March 2022.

(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.

Notes forming part of the financial statements

Exposure to loans and borrowings

(₹in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans (variable)	60,521.22	43,515.16
Borrowings and debt securities		
Borrowings (variable)	41,819.06	25,747.71
Borrowings and debt securities (fixed rate)	6,315.67	8,919.96
Total borrowings and debt securities	**48,134.73**	**34,667.67**

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 2023	Year ended 31 March 2022
Loans		
Increase by 50 basis points	302.61	217.58
Decrease by 50 basis points	(302.61)	(217.58)
Borrowings and debt securities		
Increase by 50 basis points	(209.10)	(128.74)
Decrease by 50 basis points	209.10	128.74

(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 2023	Year ended 31 March 2022
Increase by 50 basis points	6.25	-
Decrease by 50 basis points	(6.25)	-

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

Annual Accounts

Notes forming part of the financial statements

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 more than 90 days past due on its contractual payments and these assets continue to be classifed as Stage 3 till the entire overdues are received, in accordance with the RBI guidelines and Board approved ECL Policy.

The following table sets out information about credit quality of loans 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 2023			
	Stage 1	Stage 2	Stage 3	Total
Home loan	49,946.45	603.65	895.27	**51,445.37**
Loan against property	8,020.85	85.00	66.37	**8,172.22**
Commercial loan	712.74	8.58	12.26	**733.58**
Construction finance	108.67	61.38	-	**170.05**
Total	**58,788.71**	**758.61**	**973.90**	**60,521.22**

(₹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	10.28	**499.34**
Construction finance	178.93	49.60	-	**228.54**
Total	**41,789.89**	**710.04**	**1,015.23**	**43,515.16**

(₹in million)

Loan commitments	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Home loan	9,085.04	16.98	35.25	**9,137.27**
Loan against property	884.89	0.65	0.23	**885.77**
Commercial loan	123.42	-	0.81	**124.23**
Construction finance	30.00	17.26	-	**47.26**
Total	**10,123.35**	**34.89**	**36.29**	**10,194.53**

(₹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**

Annual Accounts

Notes forming part of the financial statements

Customer type

(₹in million)

	As at 31 March 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Salaried	40,328.15	471.64	635.74	**41,435.53**
Self employed	18,460.56	286.97	338.16	**19,085.69**
	58,788.71	**758.61**	**973.90**	**60,521.22**

Customer type

(₹in million)

	As at 31 March 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Salaried	29,938.56	449.73	683.62	**31,071.90**
Self employed	11,851.34	260.31	331.61	**12,443.26**
	41,789.90	**710.04**	**1,015.23**	**43,515.16**

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 2023	Year ended 31 March 2022
Carrying amount of derecognised financial assets as at year ended	10,564.92	10,251.58
Carrying amount of derecognised financial assets during the year	2,892.73	4,645.62
Gain from derecognition	380.37	678.34

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 2023	Year ended 31 March 2022
Number of loans	5,300	7,837
Aggregate amount (₹ in million)	3,214.14	5,161.80
Sale consideration (₹ in million)	2,892.73	4,645.62
Number of transactions	6	7
Weighted average remaining maturity (in months)	231.70	208.71
Weighted average holding period after origination (in months)	14.28	19.08
Retention of beneficial economic interest	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

Annual Accounts

Notes forming part of the financial statements

b. The Company has not acquired any loan not in default during the year ended 31 March 2023 and 31 March 2022.

c. The Company has not transferred or acquired any stressed loan during the year ended 31 March 2023 and 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 2023	As at 31 March 2022
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate (% p.a.)	7.31%	6.09%
Rate of salary increase (% p.a.)	10.00%	8.00%
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 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	29.71	20.51
Interest expense	1.81	1.14
Current service cost	6.59	4.73
Benefit paid directly by the employer	(2.18)	(0.94)
Actuarial loss on obligations - due to change in demographic assumptions	-	-
Actuarial loss on obligations - due to change in financial assumptions	0.77	2.56
Actuarial losses on obligations - due to experience	1.12	1.71
Present value of obligation at the end of the year	**37.82**	**29.71**

34.3 Assets and liabilities recognised in the balance sheet

(₹in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of the defined benefit obligation at the end of the year	(37.82)	(29.71)
Net liability recognised in the balance sheet	**(37.82)**	**(29.71)**

Annual Accounts

Notes forming part of the financial statements

34.4 Expenses recognised in the statement of profit and loss

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	6.59	4.73
Net interest expense	1.81	1.14
Expenses recognised in the statement of profit and loss for the year	**8.40**	**5.87**

34.5 Expenses recognised in the statement of other comprehensive income (OCI)

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial loss on post employment defined benefit obligation	1.89	4.27
Expenses recognised in the statement of OCI	**1.89**	**4.27**

34.6 Reconciliation of net liability recognised:

(₹in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening net liability	29.71	20.51
Expenses recognised at the end of year in profit and loss	8.40	5.87
Amount recognised in other comprehensive income	1.89	4.27
Benefit paid directly by the employer	(2.18)	(0.94)
Net liability recognised in the balance sheet	**37.82**	**29.71**

34.7 Sensitivity analysis:

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Delta effect of +1% change in rate of discounting	(1.56)	(1.26)
Delta effect of -1% change in rate of discounting	1.72	1.39
Delta effect of +1% change in rate of salary increase	1.42	1.18
Delta effect of -1% change in rate of salary increase	(1.34)	(1.10)
Delta effect of +1% change in rate of employee turnover	(0.36)	(0.30)
Delta effect of -1% change in rate of employee turnover	0.38	0.32

34.8 Maturity analysis of projected benefit obligation

(₹in million)

Year	As at 31 March 2023	As at 31 March 2022
1	5.43	3.76
2	5.80	4.20
3	5.23	4.44
4	4.95	3.95
5	4.68	3.64
Sum of years 6 to 10	15.74	11.80
Sum of years 11 and above	14.18	9.18

Annual Accounts

Notes forming part of the financial statements

34.9 Experience adjustments

(₹in million)

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation	37.82	29.71	20.51	13.13	8.58
Experience adjustments on defined benefit obligation	1.12	1.71	4.01	3.19	1.16

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 ₹33.16 million (31 March 2022: ₹ 26.93 million) for provident fund contributions in the statement of profit and loss.

The Company has recognised ₹ 1.77 million (31 March 2022: ₹ 0.58 million) 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 ₹ 2.25 million (31 March 2022: ₹ 2.00 million).

Notes forming part of the financial statements

35 Employee stock options

35.1 The Company has various Employee stock option schemes, under which grants were made as per details provided below:

a) Employee Stock Option Plan 2012 ('ESOP 2012')	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved (post subdivision) ^	29,08,180				
No. of options granted (post subdivision) ^	5,75,000	6,25,000	8,50,000	5,15,680	3,42,500
Date of grant	14 March 2012	25 March 2013	19 March 2014	30 March 2015	4 January 2016
Exercise price per option (post subdivision) ^	₹ 47.83	₹ 47.83	₹ 56.23	₹ 56.23	₹ 56.23

b) Employee Stock Option Scheme II ('ESOP II')	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*	Tranche 5*
No. of options approved (post subdivision)^	41,25,290				
No. of options granted (post subdivision)^	24,22,220	2,91,795	16,58,500	40,750	1,54,500
Date of grant	1 April 2017	1 April 2018	1 April 2019	1 October 2019	1 October 2020
Exercise price per option (post subdivision)^	₹ 117.24	₹ 117.24	₹ 139.30	₹ 223.20	₹ 334.73

*Notes:

a. 287,975 options lapsed in Tranche 1 of ESOP II and was reissued in Tranche 3 (247,225 options) and Tranche 4 (40,750 options) (post subdivision) during the year ended 31 March 2020.

b. 1,31,150 and 23,350 options lapsed in Tranche 1 and Tranche 3 of ESOP II respectively, was reissued in Tranche 5 (1,54,500) (post subdivision) during the year ended 31 March 2021.

^ Refer note 35.5(ii)

c) Homefirst ESOP Scheme 2021 ('ESOP 2021')	Tranche 1	Tranche 2	Tranche 3
No. of options approved	19,69,283		
No. of options granted	9,25,000	1,18,900	7,000
Date of grant	15 December 2021	19 July 2022	7 November 2022
Exercise price per option	₹851.10	₹771.30	₹730.00

35.2 Vesting condition :

a) ESOP 2012: All options under this scheme have been fully vested.

b) 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:

Notes forming part of the financial statements

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.

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)^	2,09,000	27,500	96,853	-	17,680
2nd Year (post subdivision)^	2,09,000	50,975	75,620	-	17,680
3rd Year (post subdivision)^	3,87,410	42,875	75,620	-	17,680
4th Year (post subdivision)^	3,64,800	42,875	75,620	-	17,680
5th Year (post subdivision)^	3,64,800	42,875	75,620	-	17,680
6th Year (post subdivision)^	3,64,990	42,900	75,668	-	15,600
Non Management					
1st Year (post subdivision)^	88,777	7,105	2,01,195	6,928	8,585
2nd Year (post subdivision)^	88,777	7,105	2,01,195	6,928	8,585
3rd Year (post subdivision)^	88,777	7,105	2,01,195	6,928	8,585
4th Year (post subdivision)^	88,777	7,105	2,01,195	6,928	8,585
5th Year (post subdivision)^	88,777	7,105	2,01,195	6,928	8,585
6th Year (post subdivision)^	78,333	6,269	1,77,525	6,113	7,575

^ Refer note 35.5(ii)

Notes forming part of the financial statements

c) 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*		Tranche 2	Tranche 3
Vesting start period	1 April 2023		1 August 2023	1 April 2024
Vesting period	3 years	4 years	3 years	3 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	1,81,500	-	39,237	2,310
2nd Year	1,81,500	-	39,237	2,310
3rd Year	1,87,000	-	40,426	2,380

* Under Tranche 1, 7,80,000 options shall vest over 3 years and 1,45,000 options shall vest over 4 years.

35.3 Contractual life

ESOP 2012: 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 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 to 7.3 years i.e. vesting period ranging from 1 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 2012, ESOP II and ESOP 2021 is to be settled through issue of equity shares.

Annual Accounts

Notes forming part of the financial statements

35.4 Computation of fair value of options granted

Particulars	ESOP 2012				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) ^ (Amount in ₹)	47.83	47.83	49.00	56.00	56.00
Exercise price (post subdivision) ^ (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) ^ (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 II				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) ^ (Amount in ₹)	117.24	117.24	139.30	222.32	334.73
Exercise price (post subdivision) ^ (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	-	-	-	-	-
Fair value of option (post subdivision)^ (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 -

^ Refer note 35.5(ii)

Notes forming part of the financial statements

Particulars	ESOP 2021		
	Tranche 1	**Tranche 2**	**Tranche 3**
Share price (Amount in ₹)	851.10	771.30	730.00
Exercise price (Amount in ₹)	851.10	771.30	730.00
Volatility	26.20% to 28.09%	26.77% to 28.68%	27.17% to 29.11%
Risk free rate	1st year- 5.00% 2nd year- 5.39% 3rd year- 5.71% 4th year- 5.98%	1st year- 6.73% 2nd year- 6.98% 3rd year- 7.13%	1st year- 7.11% 2nd year- 7.26% 3rd year- 7.34%
Dividend yield	-	-	-
Fair value of option (Amount in ₹)*	1st year- 209.46 2nd year- 253.73 3rd year- 289.84 4th year- 329.76	1st year- 195.84 2nd year- 225.47 3rd year- 265.30	1st year- 208.40 2nd year- 244.51 3rd year- 281.09

*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 2023			As at 31 March 2022		
	ESOP 2012	ESOP II	ESOP 2021	ESOP 2012	ESOP II	ESOP 2021
Options outstanding at beginning of year (Refer note ii below)	4,69,000	33,41,002	9,09,200	525,000	3,607,590	-
Vested at beginning of year (Refer note ii below)	4,69,000	16,11,041	-	525,000	1,095,626	-
Granted during the year (Refer note ii below)	-	-	1,25,900	-	-	925,000
Vested during the year (Refer note ii below)	-	6,65,653	-	-	691,417	-
Lapsed (Refer note ii below)	-	53,244	1,21,700	-	90,612	15,800
- Forfeited (vested - lapsed)	-	2,606	-	-	26	-
- Lapsed (unvested - lapsed)	-	50,638	1,21,700	-	90,586	15,800
Exercised (Refer note ii below)	1,08,000	2,75,064	-	56,000	175,976	-
Outstanding at end of the year (Refer note ii below)	**3,61,000**	**30,12,694**	**9,13,400**	**469,000**	**3,341,002**	**909,200**
Vested and exercisable at end of the year (Refer note ii below)	3,61,000	19,99,024	-	469,000	1,611,041	-
Weighted average exercise price per option of options outstanding (Amount in ₹) (Refer note ii below)	56.23	134.86	842.06	56.09	135.37	851.10
Weighted average remaining contractual life of options	4.12 years	8.67 years	4.11 years	4.97 years	9.64 years	5.18 years

Notes: (i) Amortisation of option cost for the year ended 31 March 2023 is ₹ 112.30 million (31 March 2022: ₹ 46.74 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 and exercise price proportionately.

Annual Accounts

Notes forming part of the financial statements

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 2023 and 31 March 2022.

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 2023	As at 31 March 2022
Not later than one year	62.28	44.71
Later than one year and not later than five years	103.78	87.27
Later than five years	0.15	2.60
Total undiscounted lease liabilities	**166.20**	**134.58**
Lease liabilities included in the balance sheet		
Total lease liabilities	147.73	118.08

(₹in million)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	10.33	8.52
Depreciation charge for the year	51.21	39.61
Expenses relating to leases	11.13	8.13

(₹in million)

Amount recognised in statement of cashflow	Year ended 31 March 2023	Year ended 31 March 2022
Cash outflow towards lease liability	57.88	46.11

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.

Annual Accounts

Notes forming part of the financial statements

38 Corporate social responsibility expenses

(₹in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Total amount required to be spent during the year	31.54	20.49
(b) Total amount of expenditure incurred during the year	31.54	20.49
(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. 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 2023 and 31 March 2022.
2. There have been no related party transactions during the year ended 31 March 2023 and 31 March 2022 in respect of CSR activities.

39 Contingent liabilities and commitments

There are no Contingent Liabilities as on 31 March 2023 (31 March 2022: Nil).

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Commitments - Undisbursed amount of housing and other loans	10,194.53	7,451.68

40 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	138.15	21.56	0.88	8.44	107.27
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**138.15**	**21.56**	**0.88**	**8.44**	**107.27**

Annual Accounts

Notes forming part of the financial statements

41 The Company does not hold any immovable property as on 31 March 2023 and 31 March 2022. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

42 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 2023 and 31 March 2022.

43 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 2023 and 31 March 2022.

44 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 2023 and 31 March 2022.

45 **Registration of charges or satisfaction with Registrar of Companies (ROC)**

There has been no delay in registration of charges or satisfaction with ROC beyond the statutory date during the year ended 31 March 2023.

Details of delay in registration of charges or satisfaction with ROC beyond the statutory date which has been during the year ended 31 March 2022 is as follows:

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.

46 **Analytical Ratios**

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Variance	Reasons for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	18,245.27	36,946.99	49.38%	58.61%	-15.74%	NA
Tier I CRAR	18,065.00	36,946.99	48.89%	58.05%	-15.77%	NA
Tier II CRAR	180.27	36,946.99	0.49%	0.56%	-13.13%	NA
Liquidity Coverage Ratio*	1,857.34	1,181.41	157.21%	124.87%	25.91%	Refer note below

* The Company was 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.

The increase in LCR of the Company is mainly on account of increase in unencumbered high-quality liquid assets (HQLA) as at 31 March 2023, most of which is in the form of Government securities.

Annual Accounts

Notes forming part of the financial statements

47 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.

48 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 2023 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

49 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 2023 and 31 March 2022, 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 2023 and 31 March 2022.

50 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.

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

51 Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 01 April 2023.

Notes forming part of the financial statements

52 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 2023			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	2,355.65	-	2,355.65	6,177.60	-	6,177.60
Bank balance other than cash and cash equivalents	204.55	423.90	628.45	500.89	-	500.89
Loans	8,518.24	51,438.76	59,957.00	6,837.74	36,210.92	43,048.66
Investments	2,807.99	-	2,807.99	-	-	-
Other financial assets	440.13	800.84	1,240.97	355.81	809.01	1,164.82
Non-financial assets						
Current tax assets (net)	-	6.44	6.44	-	0.69	0.69
Deferred tax assets (net)	-	28.32	28.32	-	-	-
Property, plant and equipment	-	116.35	116.35	-	90.97	90.97
Right of use assets	-	137.12	137.12	-	109.00	109.00
Other intangible assets	-	3.79	3.79	-	2.35	2.35
Other non-financial assets	79.56	8.61	88.17	68.49	5.18	73.67
Total assets	**14,406.11**	**52,964.14**	**67,370.25**	**13,940.53**	**37,228.12**	**51,168.65**
Liabilities						
Financial liabilities						
Trade payables	149.13	-	149.13	62.05	-	62.05
Debt securities	699.71	2,769.78	3,469.49	988.72	699.10	1,687.82
Borrowings (other than debt securities)	10,015.75	34,649.49	44,665.24	7,878.29	25,101.56	32,979.85
Other financial liabilities	666.79	87.67	754.46	495.73	73.37	569.10
Non-financial liabilities						
Provisions	6.92	52.64	59.56	4.76	40.60	45.36
Deferred tax liabilities (net)	-	-	-	-	17.39	17.39
Other non-financial liabilities	98.98	-	98.98	70.23	-	70.23
Total liabilities	**11,637.28**	**37,559.58**	**49,196.86**	**9,499.78**	**25,932.02**	**35,431.80**
Net	**2,768.83**	**15,404.56**	**18,173.39**	**4,440.75**	**11,296.10**	**15,736.85**

Note: The Company has undrawn facilities amounting to ₹ 6,645.00 million as at 31 March 2023 (31 March 2022: ₹ 3,560.20 million).

Annual Accounts

Notes forming part of the financial statements

53 Public disclosure on Liquidity Risk of Home First Finance Company India Limited as on 31 March 2023 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)

53.1 Funding Concentration based on significant counterparty (borrowings)

Number of Significant Counterparties #	Amount * (₹ in million)	% of Total Deposits	% of Total liabilities**
20	46,284.02	-	94.08%

#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, the Company has considered lenders 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.

53.2 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.

53.3 Top 10 borrowings

Sr. No.	Amount* (₹ in million)	% of Total Borrowings
1	19,871.61	41.28%

* Borrowings amount excludes the interest accrued but not due
Top 10 borrowings have been identified considering the type of facility availed.

53.4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product *	Amount (₹ in million)	% of Total Liabilities**
1	NCD	3,469.49	7.05%
2	Term Loans from Banks & Financial Institutions	35,535.38	72.23%
3	NHB	9,129.86	18.56%

*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.

Annual Accounts

Notes forming part of the financial statements

53.5 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*	1.87%
6	Other short-term liabilities as a % of total assets	1.37%
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.

53.6 Institutional set-up for liquidity risk management

The 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.

Further, as per guidelines issued by the RBI, HFCs are required to maintain the Liquidity Coverage Ratio (LCR), to maintain liquidity buffers to withstand potential liquidity disruptions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. As per the guidelines, the weighted values of the net cash flows are calculated after the application of respective haircuts for HQLA and considering stress factors on inflows at 75% and outflows at 115%.

For all non-deposit taking HFCs with an asset size of ₹ 5,000 crore and above, but less than ₹ 10,000 crore, there is a phased transition towards meeting the minimum LCR, with the requirement as on 01 December 2021 being 30%. Thereafter, the requirement increases from 01 December 2022 onwards in a graded manner. The Company has put in place a liquidity risk management framework so as to adhere to the said LCR guidelines and applicable timelines.

54 Disclosure on Liquidity Coverage Ratio (LCR) of Home First Finance Company India Limited as on 31 March 2023 in accordance with RBI circular No. RBI/2020-21/73 DOR.FIN. HFC.CC. No.102 /03.10.136/2020-21 dated 17 February 2021 and RBI circular No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/ 03.10.119/ 2016-17 dated 01 September 2016

The RBI vide Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued guidelines on maintenance of Liquidity Coverage Ratio (LCR) for HFCs.

The objective of the LCR is to promote resilience in the liquidity risk profile of HFCs. This is done by ensuring that the Company has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Further, the guidelines required all non-deposit

Notes forming part of the financial statements

taking HFCs with an asset size of ₹ 5,000 crore and above, but less than ₹ 10,000 crore, to maintain minimum LCR of 30% as on December 2021, to be gradually increased to 100% by December 2025. The Company's Board approved Asset Liability Management (ALM) Policy covers its Liquidity Risk Management policies and processes, stress testing, contingency funding plan, maturity profiling, Currency Risk, Interest Rate Risk and Liquidity Risk Monitoring Tools.

The Company was not required to comply with the guidelines on LCR in line with the RBI Directions as at 31 March 2022. The daily average LCR for the quarter ended 30 June 2022 and the quarter ended 30 September 2022 was 93% and 130% respectively, as against the minimum LCR of 30% mandated by the RBI. The daily average LCR for the quarter ended 31 December 2022 and the quarter ended 31 March 2023 was 161% and 157% respectively, as against the minimum LCR of 50% mandated by the RBI w.e.f. 01 December 2022.

The Company regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets, most of which is in the form of government securities as at 31 March 2023.

Quantitative information on LCR for the year ended 31 March 2023:

Particulars	30 June 2022		30 September 2022		31 December 2022		31 March 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	2,181.57	2,181.57	1,347.53	1,347.53	1,839.38	1,839.38	1,857.34	1,857.34
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured funding	669.66	770.11	774.28	890.42	1,088.48	1,251.75	893.00	1,026.95
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	3,859.54	4,438.47	2,597.23	2,986.81	2,865.99	3,295.88	3,216.27	3,698.71
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	**4,529.20**	**5,208.58**	**3,371.51**	**3,877.23**	**3,954.46**	**4,547.63**	**4,109.27**	**4,725.66**
Cash Inflows								
9 Secured Lending	668.35	501.26	704.03	528.02	679.28	509.46	748.67	561.50
10 Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11 Other cash inflows	3,156.45	2,367.34	3,086.49	2,314.87	8,867.42	6,650.56	8,691.84	6,518.88
12 Total Cash Inflows	**3,824.80**	**2,868.60**	**3,790.52**	**2,842.89**	**9,546.69**	**7,160.02**	**9,440.51**	**7,080.38**
	Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13 Total HQLA		**2,181.57**		**1,347.53**		**1,839.38**		**1,857.34**
14 Total Net Cash Outflows		**2,339.99**		**1,034.34**		**1,136.91**		**1,181.41**
15 Liquidity Coverage Ratio (%)		**93.23%**		**130.28%**		**161.79%**		**157.21%**

Notes forming part of the financial statements

Disclosures required by the RBI circular on Implementation of Indian Accounting Standards dated 13 March 2020

55 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

As at 31 March 2023 (₹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	58,788.71	147.02	58,641.69	186.83	(39.82)
	Stage 2	758.61	86.50	672.11	41.18	45.32
Subtotal		**59,547.32**	**233.52**	**59,313.80**	**228.01**	**5.51**
Non-Performing Assets (NPA)						
Substandard	Stage 3	829.49	241.65	587.84	216.17	25.48
Doubtful - up to 1 year	Stage 3	106.94	67.30	39.64	66.69	0.61
1 to 3 years	Stage 3	36.50	20.77	15.73	21.74	(0.97)
More than 3 years	Stage 3	0.97	0.98	(0.01)	0.98	-
Subtotal for doubtful		**144.41**	**89.04**	**55.37**	**89.40**	**(0.36)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**973.90**	**330.70**	**643.20**	**305.57**	**25.12**
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	-	15.12	(15.12)	-	15.12
	Stage 2	-		-	-	-
	Stage 3	-		-	-	-
Subtotal		-	**15.12**	**(15.12)**	-	**15.12**
Total	**Stage 1**	**58,788.71**	**162.14**	**58,626.57**	**186.83**	**(24.70)**
	Stage 2	**758.61**	**86.50**	**672.11**	**41.18**	**45.32**
	Stage 3	**973.90**	**330.70**	**643.20**	**305.57**	**25.12**
	Total	**60,521.22**	**579.34**	**59,941.88**	**533.59**	**45.75**

Notes forming part of the financial statements

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	617.67	35.74	56.64
Subtotal		**42,499.93**	**214.00**	**42,285.94**	**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**	**617.67**	**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**

Annual Accounts

Notes forming part of the financial statements

56 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 2023 Amount outstanding	Amount overdue	As at 31 March 2022 Amount outstanding	Amount overdue
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	3,589.55	-	1,765.56	-
		Debentures : Unsecured	-	-	-	-
	(b)	Deferred credits	-	-	-	-
	(c)	Term Loans	44,803.42	-	33,017.61	-
	(d)	Inter-corporate loans and borrowing				
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans (Demand loans)	-	-	24.82	-
2		**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of unsecured 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 2023 Amount outstanding	As at 31 March 2022 Amount outstanding
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a)	Secured	59,956.99	43,048.66
	(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	-	-

Annual Accounts

Notes forming part of the financial statements

(₹in million)

		Assets	As at 31 March 2023 Amount outstanding	As at 31 March 2022 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	1,250.04	-
	(iv)	Government Securities	1,557.95	-
	(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)	-	-

Annual Accounts

Notes forming part of the financial statements

(₹in million)

6		Borrower group-wise classification of assets financed as in (3) and (4) above:	As at 31 March 2023 Amount net of provisions			As at 31 March 2022 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	59,956.99	-	59,956.99	43,048.66	-	43,048.66
		Total	**59,956.99**	-	**59,956.99**	**43,048.66**	-	**43,048.66**

(₹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 2023		As at 31 March 2022	
			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	2,807.99	2,807.99	-	-
		Total	**2,807.99**	**2,807.99**	-	-

(₹in million)

8		**Other information**	**As at 31 March 2023**	**As at 31 March 2022**
		Particulars	**Amount**	**Amount**
	(i)	**Gross Non-Performing Assets**		
	(a)	Related parties	-	-
	(b)	Other than related parties	973.90	1,015.23
	(ii)	**Net Non-Performing Assets**		
	(a)	Related parties	-	-
	(b)	Other than related parties	643.20	762.72
	(iii)	**Assets acquired in satisfaction of debt**	-	-

Note: Loan Portfolio includes gross loans amounting to ₹ 141.61 million (31 March 2022: ₹ 160.27 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 ₹ 159.04 million (31 March 2022: ₹172.51 million). Value of repossessed assets for loans written off is ₹ 35.12 million (31 March 2022: ₹ 25.06 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.

Annual Accounts

Notes forming part of the financial statements

Disclosures required by the RBI vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

57 Capital

The following table sets forth, for the years indicated, the details of capital to risk assets ratio:

	As at 31 March 2023	As at 31 March 2022
i) Capital to risk assets ratio (CRAR) (%)	49.38%	58.61%
ii) CRAR – Tier I Capital (%)	48.89%	58.05%
iii) CRAR – Tier II Capital (%)	0.49%	0.56%
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 2023	As at 31 March 2022
i) CRAR (%)	48.51%	57.75%
ii) CRAR – Tier I Capital (%)	48.02%	57.19%
iii) CRAR – Tier II Capital (%)	0.49%	0.56%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

58 Reserve fund under section 29C of NHB Act, 1987

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning 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
	916.94	**541.94**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	-	71.93
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	459.00	303.07
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	103.04
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	1,272.90	813.90
Total	**1,375.94**	**916.94**

Annual Accounts

Notes forming part of the financial statements

59 Investments

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Value of investments		
i) Gross value of investments		
(a) In India	2,807.99	-
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	2,807.99	-
(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	**-**	**-**

60 Derivatives

There are no derivative instruments in the Company for the year ended 31 March 2023 and 31 March 2022.

60.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹in million)

	As at 31 March 2023	As at 31 March 2022
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	-	-

60.2 Exchange traded interest rate (IR) derivative

(₹in million)

	As at 31 March 2023	As at 31 March 2022
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)	-	-

60.3 Disclosures on Risk Exposure in Derivatives : Not applicable

A. Qualitative Disclosure

Since the Company has not involved in derivatives transactions, risk management policy of the Company does not cover any such disclosure.

Annual Accounts

Notes forming part of the financial statements

B. Quantitative Disclosure

(₹in million)

	As at 31 March 2023	As at 31 March 2022
i) Derivatives (Notional Principal Amount)	-	-
ii) Marked to Market Positions		
(a) Assets (+)	-	-
(a) Liability (-)	-	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

61 Gold loan

The Company does not provide any loans on collateral of gold and gold jewelleries.

62 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹in million)

	As at 31 March 2023			
	Bank borrowings	Market borrowings	Loans*	Investments**
1 to 7 Days	47.36	-	160.72	1,454.48
8 to 14 days	224.71	-	160.72	350.05
15 Days to one month	379.47	-	367.36	-
Over 1 month and up to 2 months	351.28	-	711.77	191.25
Over 2 months and up to 3 months	993.83	699.71	711.77	1,038.44
Over 3 months and up to 6 months	2,796.46	-	2,135.30	-
Over 6 months and up to 1 year	5,222.66	-	4,270.60	720.08
Over 1 year and up to 3 years	18,245.61	553.96	17,082.36	10.12
Over 3 years and up to 5 years	11,479.93	1,107.91	17,336.10	205.43
Over 5 years	4,923.95	1,107.91	17,020.30	208.48
Total	**44,665.24**	**3,469.49**	**59,957.00**	**4,178.32**

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	59.70	-	132.96	-
8 to 14 days	174.71	-	132.96	-
15 Days to one month	304.79	-	303.90	1,384.41
Over 1 month and up to 2 months	232.05	-	569.81	352.02
Over 2 months and up to 3 months	666.52	-	569.81	1,873.73
Over 3 months and up to 6 months	2,200.02	-	1,709.43	138.89
Over 6 months and up to 1 year	4,243.28	989.55	3,418.87	-
Over 1 year and up to 3 years	14,138.63	698.27	13,675.47	-
Over 3 years and up to 5 years	7,788.10	-	13,999.07	10.00
Over 5 years	3,172.04	-	8,536.39	349.20
Total	**32,979.85**	**1,687.82**	**43,048.66**	**4,108.26**

*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 2023 and 31 March 2022.

Note: The Company does not have deposits, foreign currency liabilities, foreign currency assets as at 31 March 2023 and 31 March 2022.

Annual Accounts

Notes forming part of the financial statements

63 Exposure

63.1 Exposure to real estate sector

(₹in million)

Category	As at 31 March 2023	As at 31 March 2022
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	59,490.91	42,722.43
(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	1,030.31	792.73
(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	**60,521.22**	**43,515.16**

63.2 Exposure to capital market

Category	As at 31 March 2023	As at 31 March 2022
(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, & 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**

Annual Accounts

Notes forming part of the financial statements

63.3 Details of financing of parent company products: Not applicable.

63.4 Details of Single Borrower Limit (SBL) / 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 2023 and 31 March 2022.

63.5 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authorisations as collateral security during the year ended 31 March 2023 and 31 March 2022.

63.6 Exposure to group companies engaged in real estate business

(₹in million)

	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-

64 Miscellaneous

64.1 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.

64.2 Disclosure of penalties imposed by NHB/ RBI and other regulators

There was no penalty imposed by NHB/ RBI/ other regulators on account of contravention of certain provisions/ regulations on the Company during the year ended 31 March 2023 and 31 March 2022.

64.3 Group structure: Not Applicable. The Company does not have any holding, subsidiary or associate company.

64.4 Rating assigned by credit rating agency and migration of rating during the year

As at 31 March 2023

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 AA- (Stable)	ICRA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA AA- (Stable)	ICRA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care AA- (Stable)	CARE	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Annual Accounts

Notes forming part of the financial statements

As at 31 March 2023

Instrument	Rating	Rating agency	Comments
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 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.
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 very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

64.5 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.

64.6 Revenue Recognition

There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

64.7 Consolidated Financial Statements (CFS):

The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

Annual Accounts

Notes forming part of the financial statements

65 Provisions and Contingencies

65.1 Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement of profit and loss

(₹in million)

	Year ended 31 March 2023	Year ended 31 March 2022
i) Provisions for depreciation on investment	-	-
ii) Provision made towards income tax	669.28	401.97
iii) Provision towards non performing assets (NPA)	78.19	28.98
iv) Provision for standard assets		
- Commercial real estate	2.43	(1.08)
- Commercial real estate - RH	6.48	2.63
- Others	10.57	(16.97)
v) Other Provisions and Contingencies - Provision for gratuity and compensated absences (including Other Comprehensive Income)	12.54	12.14

65.2 Break up of loan and advances and provisions thereon

(₹in million)

	Housing loan		Non housing loan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Standard assets				
a) Total outstanding amount	46,335.13	34,667.94	13,212.18	7,832.00
b) Provisions made	186.68	169.45	46.84	44.55
Sub - Standard assets				
a) Total outstanding amount	694.92	699.60	134.58	157.06
b) Provisions made	207.45	155.14	34.20	34.44
Doubtful assets – Category-I				
a) Total outstanding amount	86.62	129.19	20.32	19.88
b) Provisions made	55.94	50.94	11.36	6.95
Doubtful assets – Category-II				
a) Total outstanding amount	30.78	8.70	5.72	0.80
b) Provisions made	17.88	4.64	2.89	0.40
Doubtful assets – Category-III				
a) Total outstanding amount	0.97	-	-	-
b) Provisions made	0.98	-	-	-
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	**47,148.42**	**35,505.43**	**13,372.80**	**8,009.74**
b) Provisions made	**468.93**	**380.17**	**95.29**	**86.34**

66 Draw down reserves

The Company has not made any draw down from reserves during the year ended 31 March 2022 and 31 March 2022.

Annual Accounts

Notes forming part of the financial statements

67 Concentration of public deposits, advances, exposures and NPA's

67.1 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 2023	As at 31 March 2022
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

67.2 Concentration of loans and advances

	As at 31 March 2023	As at 31 March 2022
Total loans and advances to twenty largest borrowers (₹ in million)	316.37	373.16
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.52%	0.86%

67.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers / customers (₹ in million)	359.24	476.75
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.51%	0.94%

67.4 Concentration of Non performing assets (NPA)

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Total exposure to top ten NPA accounts*	27.19	36.19

* The exposure is disclosed at customer level.

67.5 Sector wise Non performing assets (NPAs)

Sector wise percentage of NPAs to total advances in that sector	As at 31 March 2023	As at 31 March 2022
A Housing loans:		
1 Individuals	1.73%	2.37%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-
B Non housing loans:		
1 Individuals	1.20%	2.23%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-

Annual Accounts

Notes forming part of the financial statements

68 Movement of Non performing assets (NPAs)

	As at 31 March 2023	As at 31 March 2022
(I) Net NPAs to net advances (%)	1.07%	1.77%
(II) Movement of NPAs (Gross)		
a) Opening balance (₹ in million)	1,015.23	621.66
b) Additions during the year (net) (₹ in million)	602.97	795.66
c) Reductions during the year (₹ in million)	644.30	402.09
d) Closing balance (₹ in million)	973.90	1,015.23
(III) Movement of Net NPAs		
a) Opening balance (₹ in million)	762.72	398.13
b) Additions during the year (net) (₹ in million)	356.40	591.77
c) Reductions during the year (₹ in million)	475.92	227.18
d) Closing balance (₹ in million)	643.20	762.72
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance (₹ in million)	252.51	223.53
b) Provision made during the year (net) (₹ in million)	246.57	203.89
c) Write-off/ write-back of excess provisions during the year (₹ in million)	168.38	174.91
d) Closing balance (₹ in million)	330.70	252.51

69 Overseas assets

	As at 31 March 2023	As at 31 March 2022
NIL	-	-

70 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored	As at 31 March 2023		As at 31 March 2022	
	Domestic	Overseas	Domestic	Overseas
NIL	-	-	-	-

71 Disclosure of complaints

	As at 31 March 2023	As at 31 March 2022
a) No. of complaints pending at the beginning of the year	-	2
b) No. of complaints received during the year	397	288
c) No. of complaints redressed during the year	397	290
d) No. of complaints pending at the end of the year	-	-

72 Principal business criteria

	As at 31 March 2023	As at 31 March 2022
Housing Loan (₹ in million)	47,148.43	35,505.43
Construction Finance - Residential (₹ in million)	152.27	200.11
Housing Finance (clauses a to k of para 4.1.16)	70.09%	69.47%
Housing finance for individuals (clauses a to e of para 4.1.16)	69.87%	69.08%

73 There were no instances of fraud reported during the year ended 31 March 2023 and 31 March 2022.

Annual Accounts

Notes forming part of the financial statements

Disclosures required by the RBI vide Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October 2021

74 Sectoral Exposure

(₹in million)

Sectors	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet e xposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet e xposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
i. Commercial Real Estate	255.09	7.46	2.93%	378.24	4.97	1.31%
Total of Services	**255.09**	**7.46**	**2.93%**	**378.24**	**4.97**	**1.31%**
4. Personal loans						
i. Housing (Including Priority Sector Housing)	55,970.17	813.29	1.45%	41,972.86	837.49	2.00%
ii. Loan Against Property	8,586.23	58.62	0.68%	4,500.59	61.29	1.36%
iii. Other Personal loans	5,904.26	94.53	1.60%	4,114.07	111.48	2.71%
Total of Personal loans (i. + ii. + iii.)	**70,460.67**	**966.44**	**1.37%**	**50,587.52**	**1,010.26**	**2.00%**

75 Related Party Disclosure

75.1 Refer note 28 for Related party disclosures in accordance with Indian Accounting standard 24.

List of related parties in accordance with the Companies Act, 2013 are given below.

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.
Director	Mr. Sakti Prasad Ghosh - Independent Director (up to 31 October 2021)
Director	Ms. Sujatha Venkatramanan - Independent Director (up to 31 October 2021)
Director	Mr. Deepak Satwalekar - Independent Director
Director	Mr. Rajagopalan Santhanam - Nominee Director (up to 31 January 2022)
Director	Mr. Divya Sehgal - Nominee Director
Director	Mr. Maninder Singh Juneja - Nominee Director
Director	Mr. Vishal Vijay Gupta - Nominee Director (up to 10 June 2022)
Director	Mr. Narendra Ostawal - Nominee Director
Director	Mr. Anuj Srivastava - Independent Director (w.e.f. 01 November 2021)
Director	Ms. Geeta Dutta Goel - Independent Director (w.e.f. 01 November 2021)
Director	Ms. Sucharita Mukherjee - Independent Director (w.e.f. 01 February 2022)
Director	Mr. Manoj Viswanathan - Managing Director and Chief Executive Officer
Key Management Personnel (KMP)	Mr. Shreyans Bachhawat - Company Secretary
Key Management Personnel (KMP)	Ms. Nutan Gaba Patwari - Chief Financial Officer
Entity with common Director *(where there are transactions)*	Perfios Software Solutions Pvt Ltd (up to 10 June 2022)
Entity under common control	Actify Data Labs Private Limited (up to 22 December 2021)

Annual Accounts

Notes forming part of the financial statements

75.2 Transactions with related parties:

During year ended 31 March 2023:

(₹in million)

Related Party / Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	19.88	20.09	-	**39.97**
Directors' commission	-	4.92	-	-	**4.92**
Deputing charges	4.27	-	-	-	**4.27**
Others	-	2.40	-	0.11	**2.51**

During year ended 31 March 2022:

(₹in million)

Related Party / Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	18.84	19.46	-	**38.30**
Reimbursement of expenses	35.26	0.57	-	-	**35.83**
Directors' commission	-	4.25	-	-	**4.25**
Deputing charges	6.31	-	-	-	**6.31**
Others	-	3.70	-	2.16	**5.85**

76 Disclosure of complaints

76.1 Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2023	As at 31 March 2022
Complaints received by the Company from its customers		
1. Number of complaints pending at the beginning of the year	0	2
2. Number of complaints received during the year	397	288
3. Number of complaints disposed during the year	397	290
3.1 Of which, number of complaints rejected by the Company	0	0
4. Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the Company from Office of Ombudsman		
5.* Number of maintainable complaints received by the Company from Office of Ombudsman	NA	NA
5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	NA	NA
5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	NA	NA
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	NA	NA
6.* Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the scheme.

* The Reserve Bank - Integrated Ombudsman Scheme, 2021 is not applicable to the Company.

Annual Accounts

Notes forming part of the financial statements

76.2 Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Year ended 31 March 2023				
1. PMAY Subsidy related	-	115	14%	-	-
2. Document related (Account statement, outstanding letter, tax certificate, etc)	-	66	43%	-	-
3. Pricing related (Rate of interest, fees, etc)	-	55	129%	-	-
4. Transaction related (EMI, part payments, ECS, etc)	-	40	-20%	-	-
5. Loan closure related	-	34	1033%	-	-
6. Others	-	87	142%	-	-
Total	**-**	**397**	**38%**	**-**	**-**
	Year ended 31 March 2022				
1. PMAY Subsidy related	-	101	84%	-	1
2. Transaction related (EMI, part payments, ECS, etc)	-	50	-14%	-	1
3. Document related (Account statement, outstanding letter, tax certificate, etc)	1	46	119%	-	-
4. Product related (Top up loan, Auto prepayment, etc)	-	31	72%	-	-
5. Pricing related (Rate of interest, fees, etc)	1	24	9%	-	-
6. Others	-	36	26%	-	-
Total	**2**	**288**	**57%**	**-**	**2**

77 Breach of covenants

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31 March 2023 and 31 March 2022.

78 Loans to Directors, Senior Officers and relatives of Directors

(₹in million)

	As at 31 March 2023	As at 31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	1.27

79 There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2023 and 31 March 2022.

80 Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

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: 02 May 2023

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No. : 01741612
Place: Mumbai
Date: 02 May 2023

Maninder Singh Juneja
Director
DIN No. : 02680016
Place: Mumbai
Date: 02 May 2023

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 02 May 2023

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 02 May 2023

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report on Identified Sustainability Indicators in Home First Finance Company India Limited's Integrated Annual 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 25, 2023 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) Standard content index on pages 80 to 81 of the Integrated Annual Report of the Company for the year ended March 31, 2023 ('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, 2023 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 the page 2 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 over information 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. In addition, greenhouse gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the value needed to combine emissions of different gases.

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.

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: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

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)

Our firm applies International Standard on Quality Management 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.

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' and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410 'Assurance Engagements on Greenhouse Gas Statements*', 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:

- Obtained an understanding of the identified sustainability indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the identified sustainability indicators.
- Made enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, Human Resource team etc., and those with responsibility for managing company's Integrated annual reporting.
- Obtained understanding and evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting on the agreed Indicators/parameters.
- Checked the consolidation for various offices under the reporting boundary for ensuring the completeness of data being reported.
- 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.
- Assessed the level of adherence to GRI Standards, the reporting framework followed by the Company in preparing the Integrated Annual Report.
- Assessed 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.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Gurugram

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.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls
- Testing or assessing any forward-looking assertions and/or data
- 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, 2022 to March 31, 2023.
- 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, 2023 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

Sabharwal

Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 23093263BGWPNA8717

Place: Gurugram
Date: May 16, 2023

Annexure 1

Identified Sustainability Indicators

S. No	GRI Indicator Reference	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
11	302-1	Energy consumption within the organization
12	305-2	Energy indirect (Scope 2) GHG emissions

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Gurugram

Notice of Annual General Meeting

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 14th ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED ("THE COMPANY") IS SCHEDULED TO BE HELD ON THURSDAY, JUNE 8, 2023 AT 11:00 A.M. INDIAN STANDARD TIME ("IST") THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Businesses:

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, 2023.

2. To appoint a director in place of Mr. Maninder Singh Juneja (DIN:02680016), who retires by rotation and being eligible, has offered himself for re-appointment.

3. To declare final dividend of ₹2.60 per equity share for the financial year 2022-23.

Special Businesses:

4. **To consider and approve the continuation of Directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN:00009627) beyond the age of 75 years in his current tenure.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to Regulation 17(1A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, applicable provisions of Companies Act, 2013 and rules made thereunder, recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the Members be and is hereby accorded for continuation of directorship of Mr. Deepak Satwalekar as a Chairman and Independent Non- Executive Director (DIN:00009627) from the day he attains the age of 75 years i.e. November 14, 2023 till the expiry of his current term on the same terms and conditions as already approved by the Board.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution."

5. **To approve the re-appointment of Mr. Manoj Viswanathan (DIN:01741612) as Managing Director & CEO ("MD & CEO") of the Company and fixation of remuneration thereof.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 2(54), 117(3),196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 (6) (e) and other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), other applicable laws (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and pursuant to the recommendation of Nomination & Remuneration Committee and approval of Audit Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Manoj Viswanathan (DIN: 01741612) as Managing Director & Chief Executive Officer ('MD & CEO') of the Company for a further period of five years with effect from August 1,

Notice of Annual General Meeting

2023, whose office shall not be liable to retire by rotation, on the terms and remuneration as set out in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197, Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act, in any financial year or years during the term of re-appointment, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits including gain arising on exercise of employee stock options, as approved herein be paid as minimum remuneration to the said MD & CEO for any financial year in aggregate and the approval accorded herein shall also be deemed to be the approval by way of special resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or Nomination and Remuneration Committee thereof be and is hereby authorized to alter, vary and/ or revise the remuneration within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto and to delegate all or any of its powers hereby conferred to a Committee constituted by the Board or to any of the officials or employees of the Company from time to time with power to the said Committee to further delegate its powers to any of its members or to any officials or employees of the Company.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required, including filing of requisite forms / returns/ applications with the Registrar of Companies or other regulatory authorities and to approve the execution of all such documents, instruments and writings as may be necessary to give effect to this resolution."

6. 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 13th Annual General Meeting held on June 10, 2022 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 ₹10,000 Crs (Rupees Ten Thousand Crores 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

Notice of Annual General Meeting

(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 ₹10,000 Crs (Rupees Ten Thousand Crores 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 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 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."

7. **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 13th Annual General Meeting held on June 10, 2022 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-

Notice of Annual General Meeting

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 ₹10,000 Crs (Rupees Ten Thousand Crores 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.

8. To approve the alteration of Articles of Association.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 14 of Companies Act, 2013 and Regulation 23(6) of Securities Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, the consent of the members be and is hereby accorded to alter the articles of association of the Company to include the following clause:

Clause 18.19:

"The Board of Directors be authorized to appoint a person nominated by the Debenture Trustee as Director on the Board of the Company in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Nothing in this sub clause shall apply in the event that the debenture trustee fails to prove beyond doubt that the Company has defaulted in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time."

RESOLVED FURTHER THAT any of the Directors or the Chief Financial Officer or the Company Secretary be and are hereby individually authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the alteration of the articles of association and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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, 2023
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. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 10/2022 and General Circular No. 11/2022, dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted 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. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. 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 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. Annual Report for FY23 along with the AGM Notice shall be sent to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The Notice of AGM and Annual report for the FY23 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).The physical copy of the Annual Report will be sent to the shareholders based on the specific request received at corporate@homefirstindia.com.

4. 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 2, 2023 considered that the Special business under item no. 4, 5 6, 7 and 8 being unavoidable, be transacted at the AGM.

5. 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 8, 2023. Members seeking to inspect such documents can send an email to corporate@homefirstindia.com.

6. 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

Notice of Annual General Meeting

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 6, 2022, 11.00 A.M. IST through email to corporate@homefirstindia.com. Such questions shall be taken up during the meeting or replied by the Company suitably.

7. 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.

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 12, 2023 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars.

9. The Company has fixed Friday, May 19, 2023 as the "Record Date" for determining entitlement of Members for payment of final dividend for the financial year ended March 31, 2023, if approved at the AGM.

10. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Friday, July 7, 2023 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, May 19, 2023.

11. 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 to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.

Further it may be noted for the purpose of receiving dividend the members are requested to contact their Depository Participant (DP) and register their email id and bank account details with their demat account, as per the process advised by their Depository Participant.

12. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs.

Notice of Annual General Meeting

Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to corporate@homefirstindia.com by 11:59 p.m. IST on Wednesday, May 31, 2023. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to corporate@homefirstindia.com The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Wednesday, May 31, 2023.

13. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority.

14. 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.

15. 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.

16. 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 10:30 A.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.

17. 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.

18. 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

Notice of Annual General Meeting

name, DP ID and client ID, No. of shares, PAN, mobile number at corporate@homefirstindia.com on or before 11:59 P.M. Monday, June 5, 2023. 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.

19. 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 e-voting through electronic voting system at the AGM in a fair and transparent manner.

20. 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.

21. 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.

22. 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 - 500 032. Tel No: +91 40- 6716 2222, Website: www.kfintech.com.

23. 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 may contact their respective Depository Participants for availing this facility.

24. 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. after Thursday, June 1, 2023, 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.

25. 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

Notice of Annual General Meeting

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 ARE AS UNDER:-

The remote e-voting period begins on **Sunday, June 4, 2023 at 09:00 A.M.** and ends on **Wednesday, June 7, 2023 at 05:00 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. **Thursday, June 1, 2023**, 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, being **Thursday, June 1, 2023.**

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

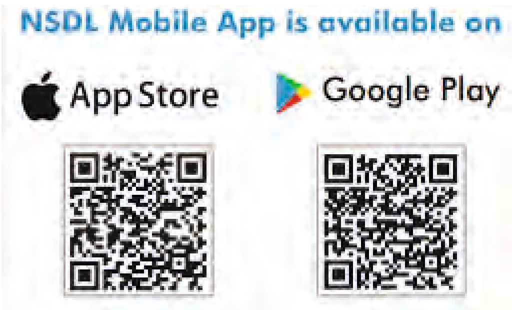
A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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 held 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. 4. 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.

Notice of Annual General 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.

Notice of Annual General Meeting

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

Notice of Annual General Meeting

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, 2023:

Item No. 3

The Board of Directors at their meeting held on May 2, 2023 considered the capital situation of the company, comfortable asset liability and healthy improvement in profitability and recommended to return a portion of the surplus to the shareholders in the form of dividend for FY23. An amount of ₹2.60 per equity which is equivalent to 130% of the face value of the equity shares recommended by the Board, subject to the approval of the members, by way of Ordinary Resolution to be paid out as Dividend. The payout ratio for FY23 shall be 10%. The dividend declared is in accordance with the Dividend Distribution policy adopted by the Company. The Dividend Distribution Policy is hosted on the website of the Company. The Company has set May 19, 2023 as the record date to determine the eligibility of shareholders for payment of dividend. The dividend if approved by the Shareholders shall be payable within 30 days from date of AGM.

Item No. 4

Mr. Deepak Satwalekar (DIN:00009627) was appointed as a Non-Executive Independent Director of the Company in terms of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') for a period of five years effective from October 23, 2019 by the Members of the Company in their extra-ordinary meeting held on October 30, 2019. His first term as an Independent Director shall expire on October 22, 2024. In terms of the Regulation 17(1A) of SEBI Listing Regulations, effective from April 01, 2019, consent of the members by way of special resolution is required for continuation of Directorship of a Non-Executive Director, beyond the age of 75 Years.

Mr. Satwalekar will attain the age of 75 years on November 14, 2023 and approval of the Members will be required for continuation of his directorship from the day he attains the age of 75 years till expiry of his current term i.e., till October 22, 2024, notwithstanding that he has attained the age of 75 years.

Mr. Satwalekar 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. He was the Managing Director of HDFC Ltd. (India's first specialized provider of housing finance and now the largest) till 2000, and thereafter the Managing Director and CEO of HDFC Life Insurance Company Limited (Formerly known as HDFC Standard Life Insurance Company Limited) till 2008, the first private sector life insurance company registered in India after 1956. Mr. Satwalekar has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT) He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. Mr. Satwalekar holds a total experience of more than 37 years in financial services and consumer lending business. Considering Mr. Satwalekar's deep repository of knowledge and experience of over four decades in the financial services sector, sharp business acumen, understanding of technology and being a strong votary of the highest standards of corporate governance the Board strongly recommends for the continuation of his appointment.

On the recommendation of Nomination & Remuneration Committee and based on the skills, experience, knowledge and report of performance evaluation of Mr. Satwalekar, the Board of the Directors on May 2, 2023 have approved the continuation of directorship of Mr. Satwalekar (DIN:00009627) as an Independent Non-Executive Director of the Company from the day he attains the age of 75 years i.e., November 14, 2023 till the completion of his present term upto October 22, 2024 on the same terms and conditions. The Board recommends the resolution set out at Item No. 4 of the accompanying Notice for your approval as a special resolution.

Mr. Deepak Satwalekar, being appointee and his relatives are deemed to be interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice.

Notice of Annual General Meeting

Item No. 5

The Nomination and Remuneration Committee after considering the meritorious services and significant contribution made by Mr. Viswanathan to the growth in operations and profitability of the Company, the Audit Committee and the Board of Directors in their meeting held on May 2, 2023, had approved the re- appointment of Mr. Manoj Viswanathan as the Managing Director & Chief Executive Officer ('MD & CEO') of the Company for a further period of five years w.e.f. August 1, 2023 on the terms and remuneration set out hereunder, subject to the approval of the Shareholders and such other necessary approval(s), as may be required.

Mr. Viswanathan was appointed as a Director of the Company on June 28, 2010 and was later also appointed as the Chief Executive Officer (CEO) of the Company with effect from April 1, 2014. He was subsequently appointed as Managing Director (MD), designated as MD & CEO, for period of 3 years w.e.f. August 1, 2020.

Mr. Viswanathan was granted Employee Stock Options ('ESOP') under the ESOP 2012 Scheme and ESOP II Scheme of the Company. The ESOPs have vested as per the vesting schedule of the schemes from the date of grant. Consequent to Mr. Viswanathan exercising ESOPs as and when they vest during the tenure of his re-appointment, the gain arising upon exercise of such ESOPs, forming part of his managerial remuneration as perquisites, may exceed the prescribed limit of 5% as specified under Section 197 of the Companies Act, 2013.

In accordance to the applicable provisions of Companies Act, 2013, the Managerial Remuneration paid by the Company is well within the prescribed limits under Section 197 of Companies Act, 2013. However, since gain on exercising stock options is treated as perquisites under the Income Tax Act, 1961, the Company is required to obtain the approval of the shareholders such that the aforementioned remuneration including the gain on exercise of stock options in event of inadequacy of profit or absence of profit under Section 197 of Companies Act, 2013 shall be minimum remuneration payable to Mr. Manoj Viswanathan during the tenure of his appointment.

Mr. Viswanathan has confirmed that he continues to satisfy the fit and proper criteria as prescribed under Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and that he has not been convicted for any offence under any of the statutes enumerated in Part I of Schedule V to the Companies Act, 2013 and that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of Director by virtue of any order by SEBI or any other authority. Mr. Viswanathan has consented to act as the MD & CEO of the Company, if so appointed. Requisite notice as per Section 160 of the Companies Act, 2013 is received from a member proposing the appointment of Mr. Viswanathan as the MD & CEO.

Brief resume of Mr. Viswanathan, along with disclosures required under Listing Regulations and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India are mentioned in Annexure A of this Notice.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Mr. Manoj Viswanathan, being appointee and his relatives are deemed to be interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given hereunder:

Notice of Annual General Meeting

I. GENERAL INFORMATION:

1) **Nature of Industry:** The Company belongs to housing finance industry. It is one of the leading technology driven affordable housing finance Company in India.

2) **Date of Commencement of Commercial Production:** The Company was incorporated on February 03, 2010.

3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus:** Not Applicable

4) **Financial Performance based on given indicator:**

(Amount in ₹ Crs)

Particulars	FY23	FY22
Total Income	795.60	595.70
Less: Total Expenses	500.38	369.40
Profit/ (Loss) before tax	**295.22**	**226.30**
Less: Current tax	71.45	44.68
Deferred tax	(4.52)	7.53
Tax pertaining to earlier years	-	(12.01)
Profit after Tax	**228.29**	**186.10**
Other Comprehensive Income	(0.14)	(0.32)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(45.90)	(37.50)
Balance carried to Balance Sheet	**182.25**	**148.28**
Earnings per Share (Face Value ₹ 2)		
Basic (₹)	26.01	21.26
Diluted (₹)	25.20	20.54

5) **Foreign investments or collaborations, if any:** The Company has received investments through FDI Route from Aether (Mauritius) Limited (Aether), Promoter, Orange Clove Investments B.V., an affiliate of Warburg Pincus group, (Orange Clove) and Bessemer India Capital Holdings II Ltd (Bessemer) prior to the listing of the Company on BSE Limited and The National Stock Exchange of India Limited. As on March 31, 2023 Aether holds 1,17,42,592 Equity Shares and Orange Clove holds 2,51,91,802 Equity Shares of the Company while Bessemer doesn't hold any shares of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

1) **Background Details:**

Mr. Manoj Viswanathan, aged 53 years, 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 has over 26 years of experience in consumer lending. Previously, he was associated with Computer Garage Private Limited, Asian Paints India Limited, Citibank and CitiFinancial Consumer Finance India Limited as vice president of personal loans.

2) **Past Remuneration:**

During previous financial year 2022-23, Mr. Viswanathan was paid managerial remuneration of ₹1.98 Crs (including performance linked incentive for FY 2021-22) which is within the limits approved by the members of the Company at its General meeting held on August 25, 2020.

3) **Recognition or Awards:** None

4) **Job Profile and his Suitability:**

Mr. Manoj Viswanathan devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company. He has more than 26 years of experience in the consumer lending in line with the business of the Company which is compatible with the organizational requirements. He has been associated with the Company since incorporation and the Company will continue to be

Notice of Annual General Meeting

benefited from his leadership and guidance.

5) **Remuneration Proposed:**

a) The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on April 26, 2023 and May 2, 2023 had approved the terms of remuneration for the period of five years for Mr. Manoj Viswanathan as MD & CEO commencing from August 1, 2023 as under:

i. **Fixed Pay:** maximum of ₹2,50,00,000 per annum (Rupees Two Crores Fifty Lakhs Only).

The said salary range is only an enabling authority to the Board and/or Nomination and Remuneration Committee to decide on the salary payable to Mr. Viswanathan. The Board and/or Nomination and Remuneration Committee has the power to alter or modify other terms and conditions of re-appointment including the salary payable subject to the limit specified herein above.

For the purpose of this clause, the term "Fixed Pay" shall mean and include: (i) basic salary payable; (ii) Company's contribution to provident fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; and (iii) Company's contribution to gratuity fund as per provisions of the Payment of Gratuity Act, 1972.

ii. **Variable Pay**: In addition to Fixed Pay, Mr. Viswanathan shall also be entitled to performance linked incentive of such amount as may be recommended by the NRC and approved by the Board for each Financial Year or part thereof, within the overall limits as specified under Section 197 of the Act read with Schedule V to the Act (including any statutory modification or re-enactment thereof) and other applicable provisions (if any) of the Act, after taking into consideration various criteria, including the performance of Mr. Viswanathan and the performance of the Company.

iii. **Perquisites:**

a) House rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on telephones, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.

b) Gain arising on exercise of employee stock options under the ESOP Schemes of the Company, any other allowances and benefits received by way of monetary benefits or its equivalent for the services rendered by Mr. Manoj Viswanathan.

In the event of inadequacy or absence of profits under Sections 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, the Managing Director shall be entitled to such remuneration, as specified above as minimum remuneration during the tenure of his appointment.

6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration payable has been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the housing finance industry and has been considered by the Nomination and Remuneration Committee of the Company at its meeting held on April 26, 2023. The profile of Mr. Manoj Viswanathan, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration and commensurate with the remuneration packages paid to similar counterparts in other companies.

7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel or other Director, if any:**

Mr. Manoj Viswanathan is currently designated as the Managing Director and CEO of the Company. Apart from managerial remuneration, Mr. Viswanathan is holding 8,03,383 (0.91%) equity shares of the Company as on March 31, 2023. Mr. Viswanathan also has 5,90,680 options under the ESOP Scheme II.

Notice of Annual General Meeting

Mr. Manoj Viswanathan has no other pecuniary relationship with the Company or with any key managerial personnel or other Director except to the extent of his remuneration as Managing Director and CEO and as mentioned above.

III. OTHER INFORMATION:

1) **Reasons of loss or inadequate profits:** The Managerial Remuneration paid by the Company is well within the prescribed limits under Section 197 of Companies Act, 2013. However in event of inadequacy of profit or absence of profit under Section 197 of Companies Act, 2013, the remuneration comprising salary, perquisites and benefits approved/ratified by the Board of Directors be paid as minimum remuneration to the Managing Director during the tenure of his appointment.

2) **Steps taken or proposed to be taken for improvement:** Refer point no 1 above.

3) **Expected increase in productivity and profits in measurable terms:** Refer point no 1 above.

IV. DISCLOSURES:

The disclosures on remuneration package of each Director and details of all elements of remuneration package, details of fixed components and stock options details etc. are given in the Directors' Report.

Item No. 6 & 7:

At the 13th Annual General Meeting of the Company held on June 10, 2022, 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 ₹7,500 Crs (Rupees Seven Thousand Five Hundred 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, 2023, the outstanding borrowings of the Company stood at ₹ 4,813.47 Crs (Rupees Four Thousand Eight Hundred and Thirteen Crs and Forty-Seven Lakhs Only). 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 ₹7,500 Crs (Rupees Seven Thousand Five Hundred 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. 6 of the notice is being sought by means of a Special Resolution, as the borrowing limit of ₹10,000 Crs (Rupees Ten Thousand Crores 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. 7 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. 6 and 7 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. 6 and 7 of the accompanying Notice.

Notice of Annual General Meeting

Item No. 8:

It is proposed to amend the existing Articles of Association (hereinafter referred to as 'the Articles') of the Company to align them with the amendment brought out vide Regulation 23(6) of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023, dated February 2,2023, all companies having their debt securities listed on the exchange are required to alter their articles of association on or before September 30, 2023 to provide the Board of Directors the power to appoint a person nominated by the Debenture Trustee as Director on the Board in the event of two consecutive defaults in payment of interest to the debenture holders, default in creation of security for debentures or default in redemption of debentures as per clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Therefore, it is proposed to add clause 18.19 as mentioned hereinbelow:

"The Board of Directors be authorized to appoint a person nominated by the Debenture Trustee as Director on the Board of the Company in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Nothing in this sub clause shall apply in the event that the debenture trustee fails to prove beyond doubt that the Company has defaulted in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time."

The Board recommends the passing of resolution set out at item no. 8 for your approval by way of a Special Resolution.

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 at Item No. 8 of the accompanying Notice.

By order of the Board of Directors,
For Home First Finance Company India Limited

Shreyans Bachhawat
Company Secretary
Mem No A26700
Date: May 17, 2023
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

ANNEXURE A

Information as required under 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) for Item No. 2 and 5 is given here under:

Sr No	Particulars	Details	
1.	Name of Director	Mr. Manoj Viswanathan	Mr. Maninder Singh Juneja
2.	Date of Birth	April 4, 1970	January 31, 1966
3.	DIN	01741612	02680016
4.	Age	53 years	57 years
5.	Brief resume, experience and qualification	Mr. Viswanathan has over 26 years of experience in consumer lending. Previously, he was associated with Computer Garage Private Limited, Asian Paints India Limited, Citibank and CitiFinancial Consumer Finance India Limited as vice president of personal loans. 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 holds a bachelor's degree in civil engineering from Maharaja Sayajirao University of Baroda and a post graduate diploma in management from Indian Institute of Management Society, Lucknow. He has over 26 years of experience in the banking industry. Prior to joining our Company, he was associated with Godrej and Boyce Manufacturing Company Limited as management trainee, Godrej GE Appliances Limited, SRF Finance Limited as business manager of corporate finance, DGP Windsor India Limited, Whirlpool of India Limited as business manager, ICICI Bank Limited as group executive and National Bulk Handling Corporation Private Limited as managing director and chief executive officer. Currently, he is associated with True North Managers LLP as a partner.
6.	Nature of expertise in specific functional areas	Financial Management, Industry Knowledge, Strategy and Decision making, Technology, Consumer Behavior and Marketing.	Financial Management, Industry Knowledge, Strategy and Decision making
7.	Terms and conditions of appointment / re-appointment	Terms and condition of appointment is as mentioned in the resolution and explanatory statement of Item No 5.	As per the Appointment Letter

Notice of Annual General Meeting

8.	Remuneration proposed to be paid	Managerial Remuneration as mentioned in explanatory statement of Item no 5.	Nil
9.	Date of first appointment on Board, last drawn remuneration and number of board meetings attended	Mr. Viswanathan is associated with the Company as a Director since June 28, 2010. During the previous financial year FY23, Mr. Viswanathan was paid managerial remuneration of ₹1.98 Crs including performance linked incentive for FY22. During the financial year FY23, 4 (Four) Board Meetings were convened and held and Mr. Viswanathan has attended all the 4 (Four) Board Meetings.	Mr. Juneja was appointed as Nominee Director on May 26, 2017. Last drawn remuneration is NIL. During the financial year FY 2022-23, 4 (Four) Board Meetings were convened and held and Mr. Juneja has attended all the 4 (Four) Board Meetings.
10.	Relationships with other directors and Key Managerial Personnel inter-se	None	None
11.	Directorship or Membership/ Chairmanship held in other Companies Boards. Names of Listed entities in which the person also holds the directorship and the Membership/ Chairmanship of Committees of the board along with listed entities from which the person has resigned in the past three years.	Nil	Directorship in other Companies: Niva Bupa Health Insurance Company Limited; Fedbank Financial Services Limited; Fincare Business Services Limited; Indifi Technologies Private Limited
12.	No. of Equity shares held in the Company (Including Shareholding as a beneficial owner) (As on March 31, 2023)	8,03,338 Equity Shares.	Nil

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

Follow us on:
/HomeFirst India
www.homefirstindia.com