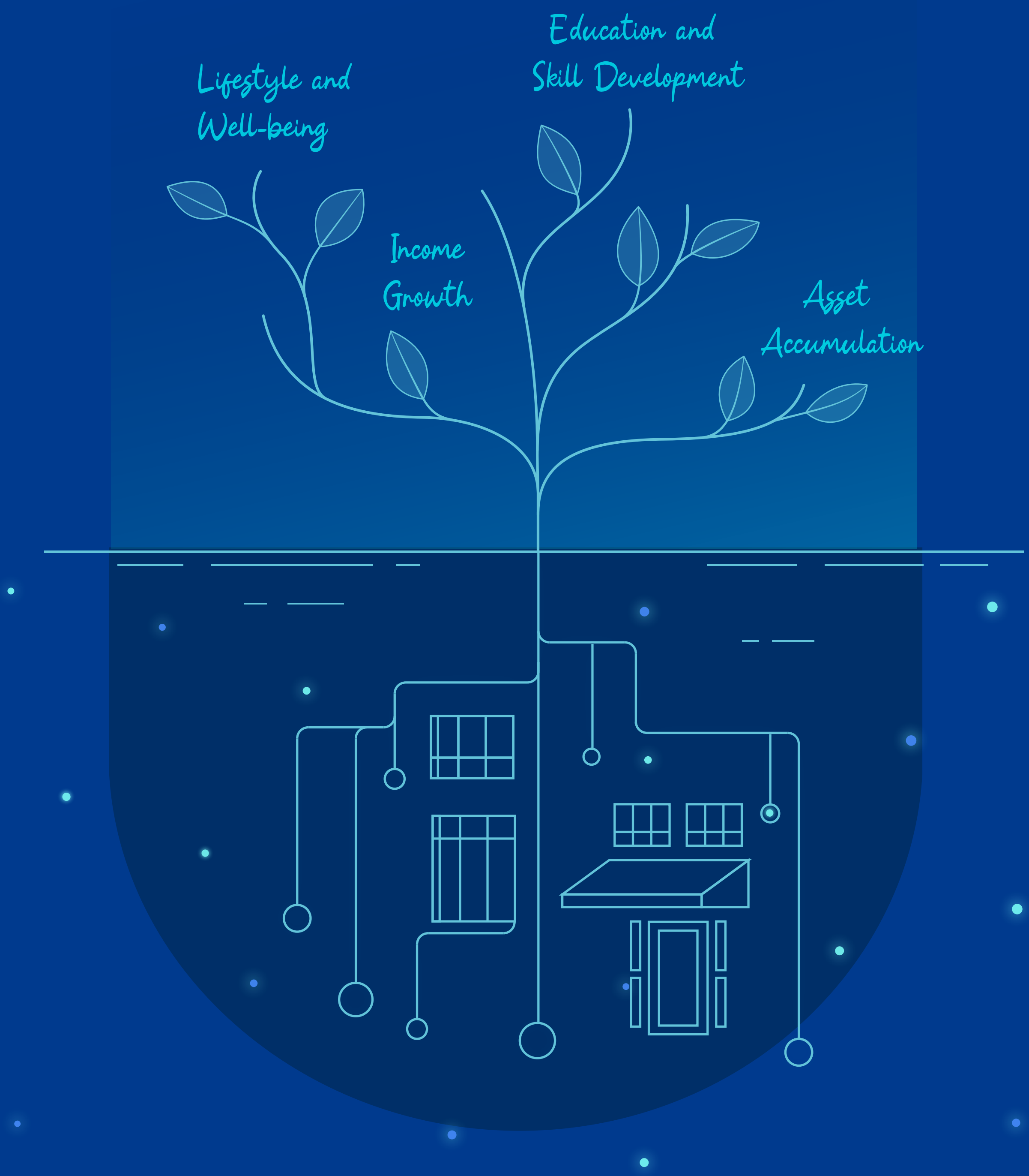
homefirst
We'll take you home

INTEGRATED
ANNUAL REPORT
FY25



About this Report

Our Approach to Reporting

Home First Finance Company India Limited (HomeFirst) is publishing its fourth Integrated Annual Report for Financial Year 2025 ("**FY25**") 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 FY25 is an annual publication for the period April 1, 2024 to March 31, 2025.

Materiality & Scope & Boundary

The Integrated Annual Report FY25 includes information that is material to HomeFirst's stakeholders and provides an overview of the business processes and activities that assist in long term value creation. HomeFirst also shares insights about the strategic priorities, business model, risks and mitigants. The reporting boundary covers overall environmental, social and economic performance of HomeFirst across 155 physical branches as on Mar'25 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, 2024 to March 31, 2025. While the financial information has been audited by B S R & Co., LLP, 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 Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board. The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on page no 419.

FY 2024 - 25 in Brief

Growth

155
Physical Branches

361
Touchpoints

₹12,713Crs
Assets Under Management (AUM)

32%
AUM CAGR (FY21-FY25)

₹4,805Crs
Disbursals

Productivity

₹3.3 Crs
∨ 6% Y - o - Y
Disbursement / Employee

₹88.3Crs
∧ 11% Y - o - Y
Assets Under Management / Branch

Funding

₹5,371 Crs
Raised Including Assignments

35Lenders
Diversified Funding

AA Stable
(ICRA)#

AA- Positive
(IndRA)

AA- Stable
(CARE)

Risk Management

1.7%
No Change Y - o - Y
GNPA*

3.0%
∧ 0.2% Y - o - Y
30+ DPD

Tech

96%
Customers Registered
on Customer App

91%
Loans Approved
within 48 hours

ESG

16.2


Morningstar Sustainalytics
ESG Risk Rating

46
S&P Global
ESG Score

16.2%
Employees are covered
Under ESOP Program

61.1%
AUM is towards
EWS/LIG customers

28%
Women
workforce

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*1.7% (1.4% pre RBI circular) as at Mar'25 from 1.7% (1.1% pre-RBI circular) as at Mar'24

#credit rating upgraded to "AA (Stable)" from "AA- (Stable)" w.e.f. May 28, 2025

Theme of the Report

Home as the Foundation for Change

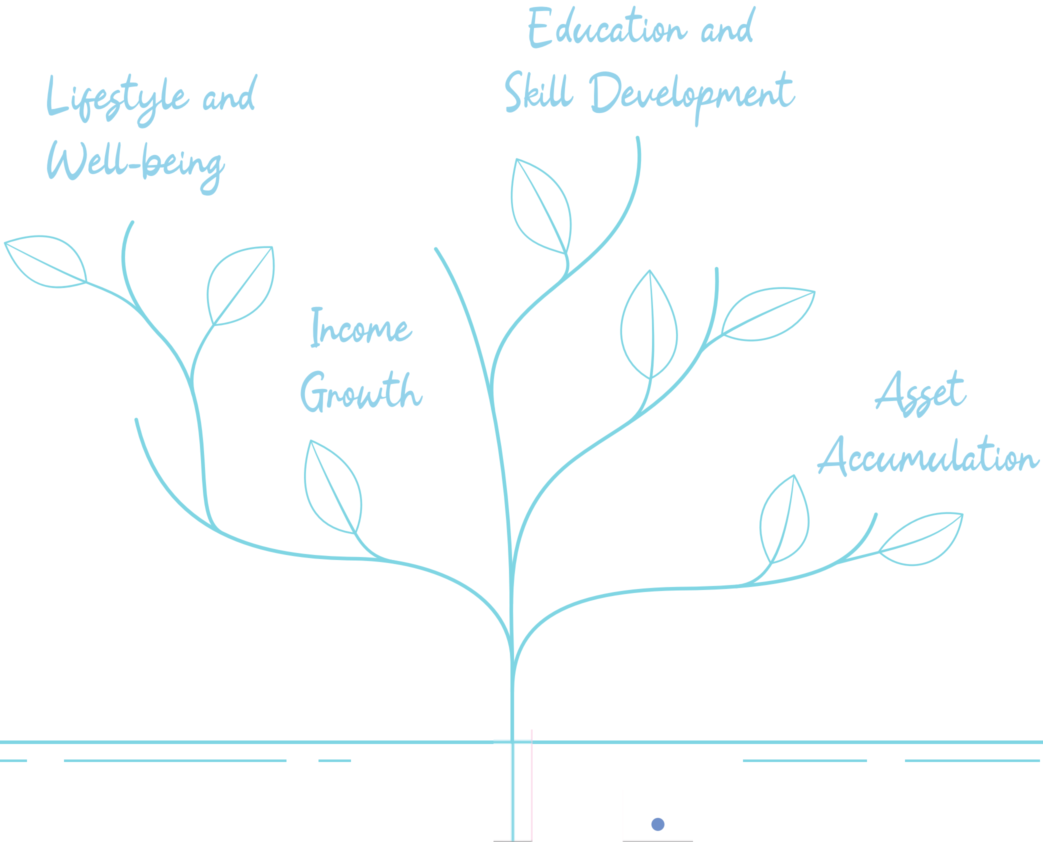
Every remarkable structure begins beneath the surface, hidden yet vital. At HomeFirst, our mission aligns deeply with this foundational metaphor. In FY25, we reflect on how homes act as catalysts for personal growth, community development, and nation building.

A home goes beyond bricks and mortar; it is a foundation for a better life! For many Indian families, owning a home represents the first major step toward financial security. Every "Home" is a cornerstone of stability that fuels family aspirations and nurtures growth. Homeownership brings tangible improvements in education, healthcare, and overall quality of life. This ripple effect fosters community resilience, reduces inequality, and sparks broader economic progress.

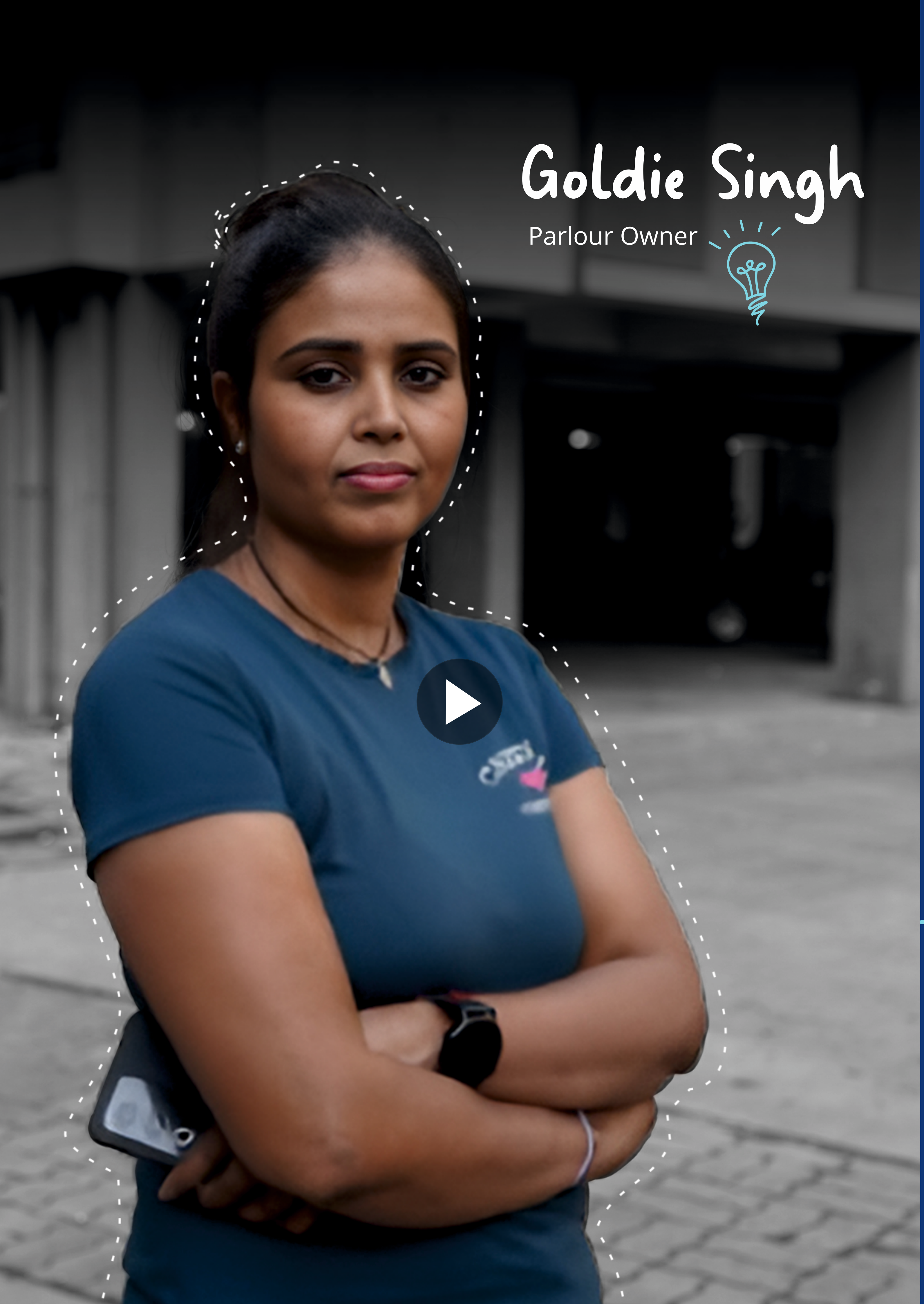
Embracing a digital-first approach, we continue to simplify homeownership. We reinforce our commitment to affordable, innovative housing finance solutions through inclusive processes that leverage technology, to assess customer eligibility especially for those customers who lack traditional documentation in both salaried and self-employed segments.

FY25 witnessed significant progress in integrating sustainability into our business model. Our Green Home Initiative expanded notably, promoting environment friendly housing and incentivising sustainable construction practices. These measures ensure that the foundations we lay today align with global environmental standards, creating lasting value for future generations.

Looking ahead, we remain focused on strengthening our foundation. Each new customer, each innovative solution, makes the foundation stronger. In FY25, we reaffirm our pledge: to build, nurture, and strengthen the foundations that enable our customers to own homes, thrive and prosper. As the nation advances, we take pride in silently supporting the underserved.



Contents



Corporate Overview

Corporate Information

Directors

Mr. Deepak Satwalekar (Chairperson)
Ms. Geeta Dutta Goel
Mr. Anuj Srivastava
Ms. Sucharita Mukherjee
Mr. Maninder Singh Juneja
(resigned w.e.f. May 2, 2025)
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. Anuj Srivastava
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

CSR and ESG Committee

Ms. Geeta Dutta Goel (Chairperson)
Ms. Sucharita Mukherjee
Mr. Manoj Viswanathan

Risk Management Committee

Mr. Maninder Singh Juneja (Chairperson)
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 (Chairperson)
Mr. Manoj Viswanathan
Mr. Manindar Singh Juneja
Mr. Ajay Khetan

Statutory Auditors

B S R & Co. LLP
14th Floor,Central B Wing and North C Wing, Nesco ITPark 4,NescoCenter, Western Express Highway, Mumbai - 400063 Tel No: +91 22 6257 1000

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 Building, Tower- B, Plot No 31-32, Serilingampally, Financial district, Nanakramguda, Rangareddy, Telangana, Hyderabad - 500032
Tel No: 040 67161563

Bankers & Financial Institutions

National Housing Bank
Central Bank of India
State Bank of India
HDFC Bank
Bank Of Baroda
Canara Bank
Bandhan Bank
Indian Bank
Axis Bank Limited
The Federal Bank Limited
Yes Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
Karnataka Bank Limited
The South Indian Bank Limited
Bajaj Finance Limited
The Jammu and Kashmir Bank Limited
Bank of India
CSB Bank Limited
IDBI Bank Limited
Punjab National Bank
Punjab & Sind Bank
UCO Bank
DCB Bank Limited
ICICI Bank
Shinhan Bank
The Hongkong and Shanghai Banking Corporation Limited
Qatar National Bank (Q.P.S.C)
The Karur Vysya Bank Limited

HomeFirst At Glance

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!

₹11.7 Lakhs
Average Ticket Size

₹20K-50K
Monthly Household Income

91%
Loans Approved within 48 Hrs

82
NPS (FY25)

1,17,989
Customers

Our Customers

B Siva
Supervisor

₹15,00,000 - Loan Amount
₹33,000 Income / Month

Formal Salaried

Before Homeownership:

Cramped spaces. Power cuts. Dirty water. Long commutes. Unsafe neighbourhoods. Were part of daily struggles.

After Homeownership:

Improved access to all amenities. More convenient daily routines. More family time.

Muniyappan A
Operations Manager

₹12,00,000 - Loan Amount
₹27,000 Income / Month

Informal Salaried

Before Homeownership:

Covering essential expenses and dealing with unpredictable costs, families struggled to save, build assets or plan ahead

After Homeownership:

Financially more disciplined. Managed debt better, improved credit, and significant improvement in quality of life

Taruna P
Garment Shop Owner

₹10,10,000 - Loan Amount
₹25,000 Income / Month

Self-Employed

Before Homeownership:

Constant stress of rented house. Rent hikes, landlord interference, fear of eviction.

Shifting homes disrupted his business, kids' education and peace of mind.

After Homeownership:

Experiences greater sense of stability in his daily life. With eased stress, now focuses on growing his business and educating his kids.

Our Journey

CARE Rating
BBB- **BBB+**

CARE Rating
A-

ICRA Rating
A+

India Ratings
AA- Stable

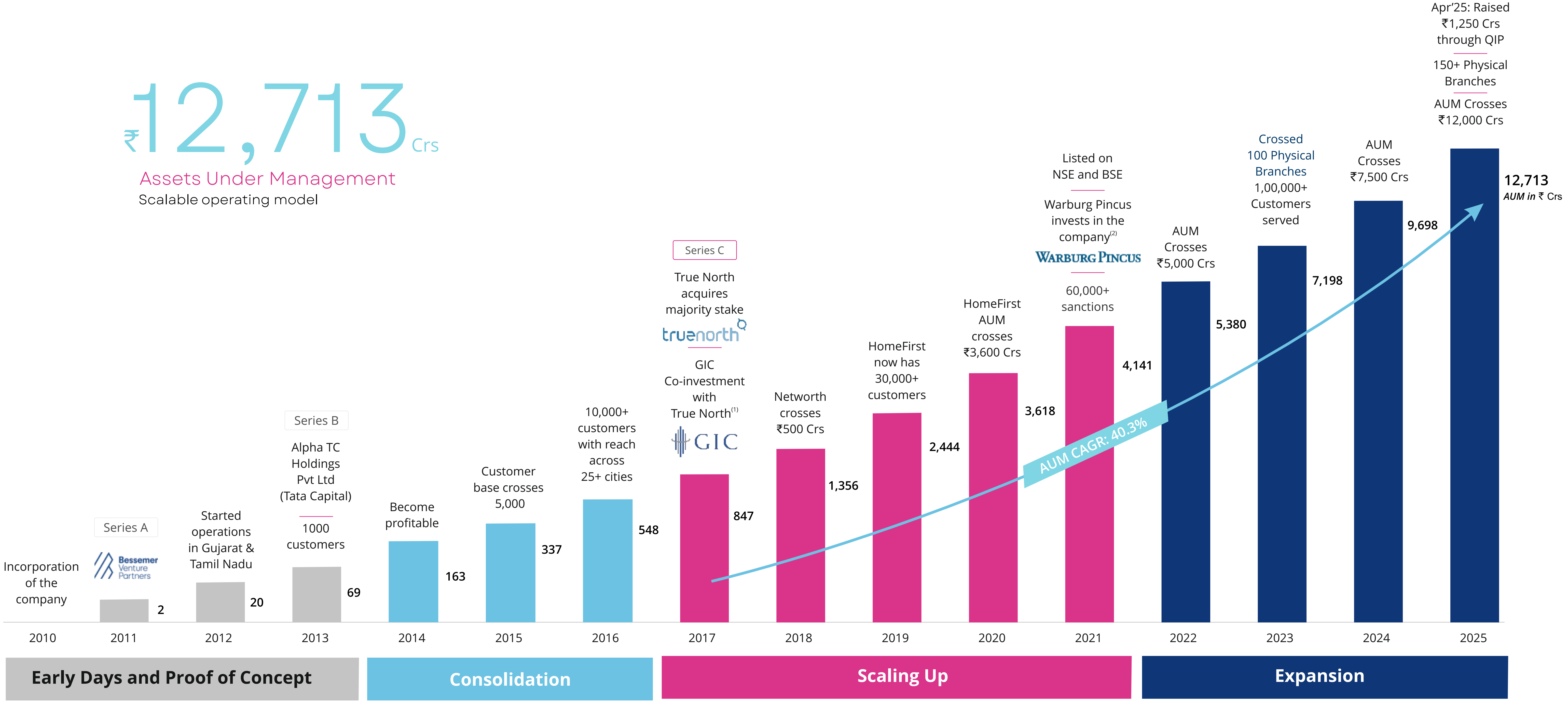
ICRA & CARE Rating
AA- Stable

India Ratings
AA- (Positive)

₹12,713 Crs

Assets Under Management

Scalable operating model



2010: Incorporation of the company

2011: Series A
Bessemer Venture Partners

2012: Started operations in Gujarat & Tamil Nadu

2013: Series B
Alpha TC Holdings Pvt Ltd (Tata Capital)
1000 customers

2014: Become profitable

2015: Customer base crosses 5,000

2016: 10,000+ customers with reach across 25+ cities

2017: Series C
True North acquires majority stake
truenorth
GIC Co-investment with True North[1]
GIC

2018: Networth crosses ₹500 Crs

2019: HomeFirst now has 30,000+ customers

2020: HomeFirst AUM crosses ₹3,600 Crs

2021: Listed on NSE and BSE
Warburg Pincus invests in the company[2]
Warburg Pincus
60,000+ sanctions

2022: AUM Crosses ₹5,000 Crs

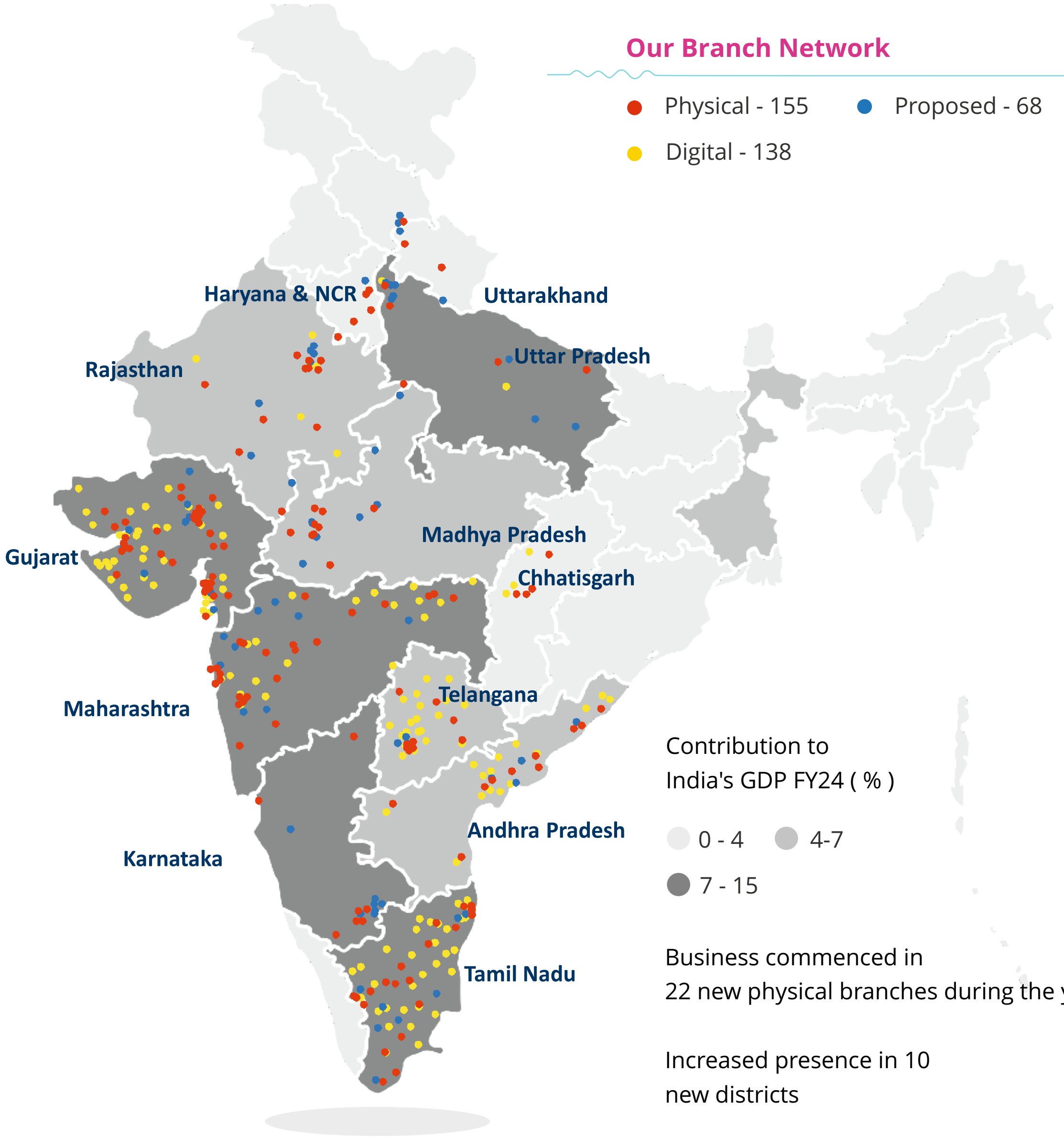
2023: Crossed 100 Physical Branches
1,00,000+ Customers served

2024: AUM Crosses ₹7,500 Crs

2025: Apr'25: Raised ₹1,250 Crs through QIP
150+ Physical Branches
AUM Crosses ₹12,000 Crs

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

Our Geographical Presence



Our Branch Network

● Physical - 155
● Proposed - 68
● Digital - 138

Contribution to
India's GDP FY24 (%)

● 0 - 4
● 4-7
● 7 - 15

Business commenced in
22 new physical branches during the year

Increased presence in 10
new districts

155	141	13	361
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

15 Years Highlights

	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IndAS	IndAS	IndAS	IndAS	IndAS	IndAS	IndAS
Particulars (₹ in Crs)	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Total Income	-	2	7	20	39	62	95	146	271	419	489	596	796	1,157	1,539
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303	499	713
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**	**492**	**658**	**826**
Interest Income on loans	-	1	5	16	33	55	84	126	229	342	406	477	682	970	1,280
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303	499	713
Net Interest Income	**-**	**1**	**2**	**6**	**11**	**19**	**31**	**62**	**104**	**151**	**190**	**262**	**379**	**471**	**567**
Net Gain on DA	-	-	-	-	-	-	-	-	21	37	44	68	38	63	91
Other Non-interest income	-	1	2	4	6	7	11	20	21	40	39	51	75	124	168
Net Total Income	**-**	**2**	**4**	**10**	**17**	**26**	**42**	**82**	**146**	**228**	**273**	**381**	**492**	**658**	**826**
Opex	1	3	5	8	12	16	26	42	74	104	106	130	176	232	295
Credit Cost	-	-	-	-	1	1	2	2	7	17	32	25	22	25	29
Total Expense	1	3	8	18	35	53	81	108	206	312	355	369	500	757	1,038
Tax	-	-	-	-	1	3	5	13	19	27	34	52	67	94	120
One time adjustment	-	-	-	-	-	-	-	-	-	-	-	(12)^			
PAT	**(1)**	**(1)**	**(1)**	**2**	**3**	**6**	**9**	**25**	**46**	**80**	**100**	**186**	**228**	**306**	**382**
Funds (₹ in Crs)															
Debt	-	5	44	96	216	365	554	870	1,926	2,494	3,054	3,467	4,813	7,302	9,551
Equity	15	28	50	99	102	154	308	333	523	933	1,381	1,574	1,817	2,121	2,521
Total Assets	16	34	102	216	359	597	990	1,372	2,482	3,480	4,510	5,117	6,737	9,534	12,212
Key Metrics (₹ in Crs)															
AUM	2	20	69	163	337	548	847	1,356	2,444	3,618	4,141	5,380	7,198	9,698	12,713
Disbursement	2	12	35	90	211	277	424	746	1,573	1,618	1,097	2,031	3,013	3,963	4,805
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	35	43
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%	3.8%	3.5%
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%	15.5%	16.5%
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%	39.5%	32.8%
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%	39.1%	32.4%
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	88,516,167	90,055,540
Face value per share (₹)	10	10	10	10	10	10	10	10	2*	2	2	2	2	2	2
BVPS	53	80	113	161	166	198	298	323	83*	119	158	180	206	240	280
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%	2.9%	2.7%
Cost to Income Ratio *(Operating Expenses / Net Total Income)*	242.3%	161.8%	121.9%	74.6%	69.0%	61.6%	63.1%	51.2%	50.3%	45.8%	39.0%	34.0%	35.7%	35.3%	35.8%

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

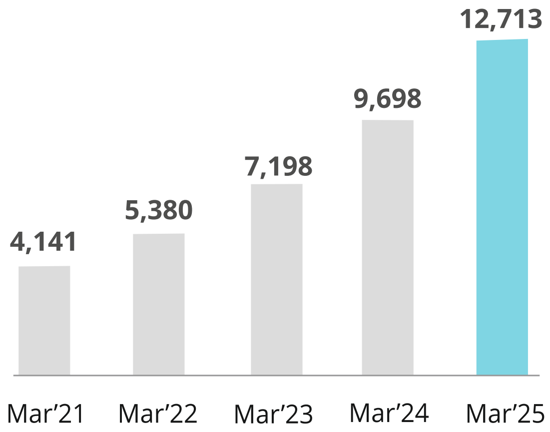
Performance Highlights

Business Metrics

Assets Under Management ₹12,713 Crs

in ₹Crs

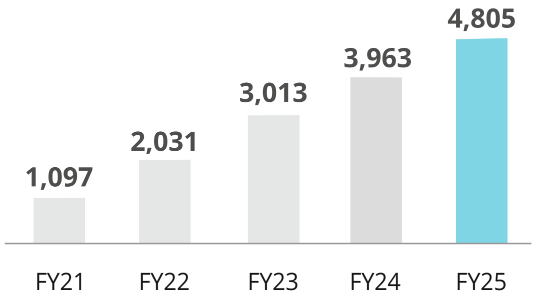
∧ Y-o-Y 31.1% ∧ CAGR 32.4%
(FY21 - FY25)



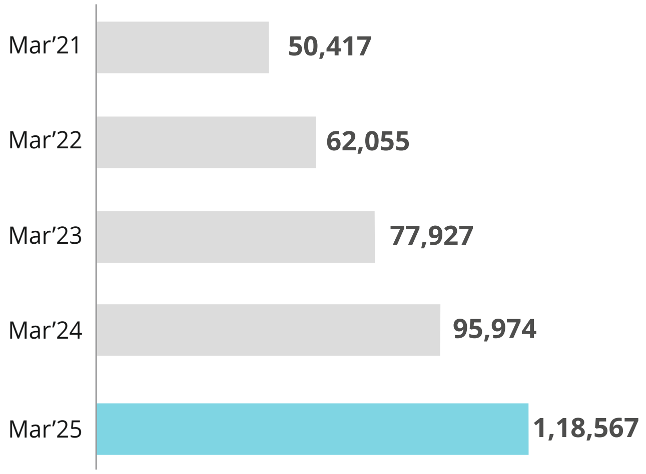
Disbursement ₹4,805 Crs

in ₹Crs

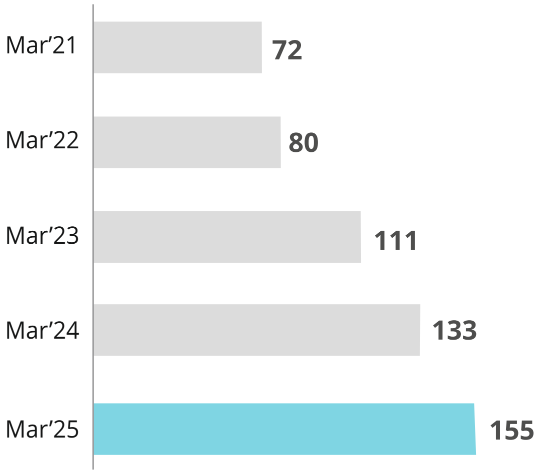
∧ Y-o-Y 21.2% ∧ CAGR 44.7%
(FY21 - FY25)



Number of Loan Accounts 1,18,567



Number of branches 155



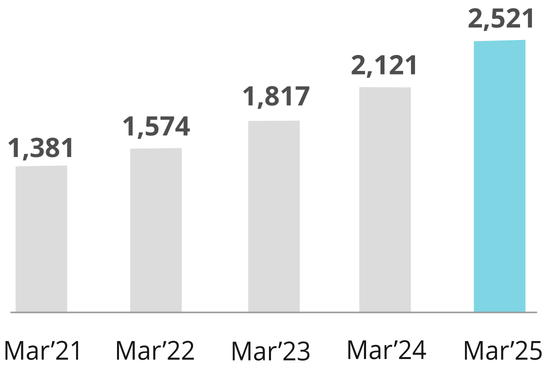
Note: Graphs are not to scale

Performance Highlights

Balance Sheet Metrics

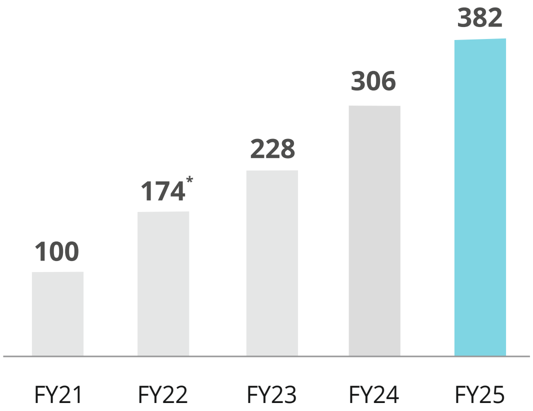
Networth ₹2,521 Crs

in ₹Crs



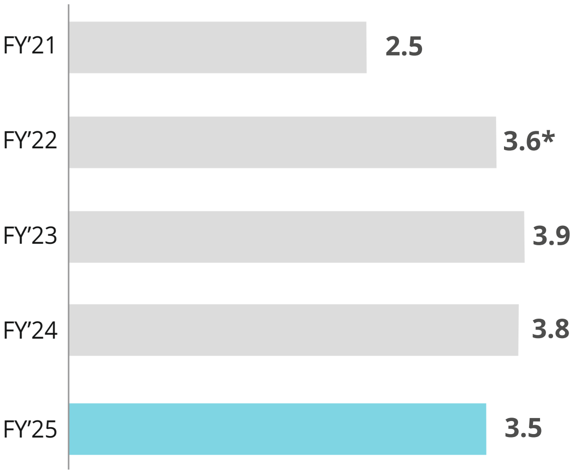
Profit After Tax ₹382 Crs

in ₹Crs ∧ Y-o-Y 25.0% ∧ CAGR 39.8% (FY21 - FY25)



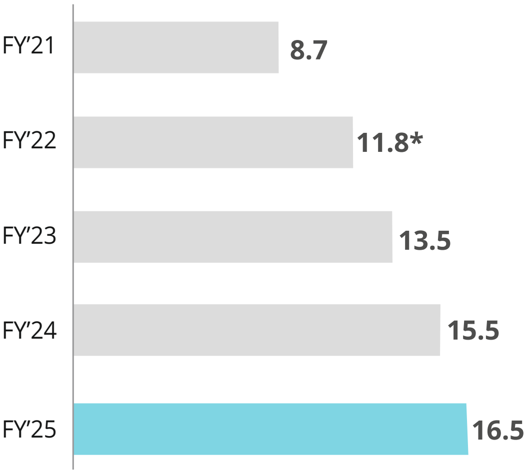
RoA 3.5%

in %



RoE 16.5%

in %



** 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*

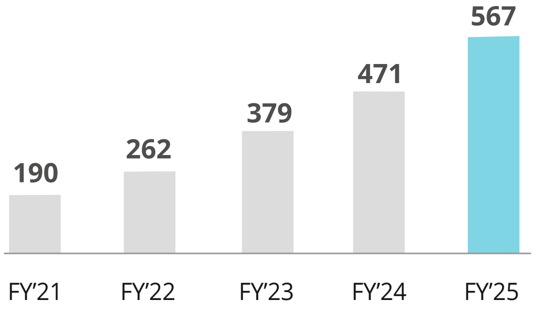
Note: Graphs are not to scale

Performance Highlights

Profit & Loss Metrics

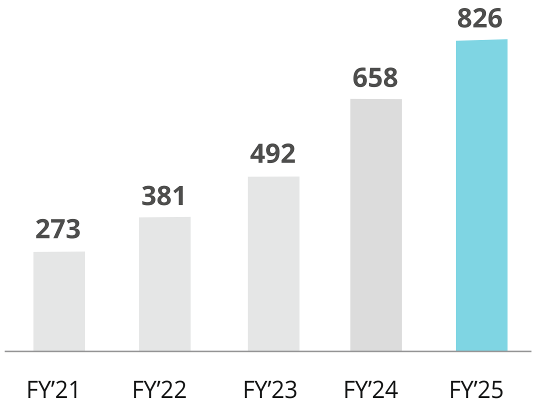
Net Interest Income ₹567 Crs

in ₹Crs ∧ Y-o-Y 20.3% ∧ CAGR 31.5% (FY21 - FY25)



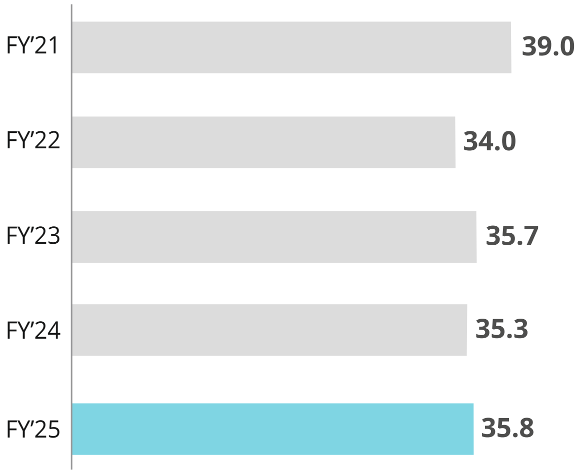
Net Total Income ₹826 Crs

in ₹Crs ∧ Y-o-Y 25.5% ∧ CAGR 31.9% (FY21 - FY25)



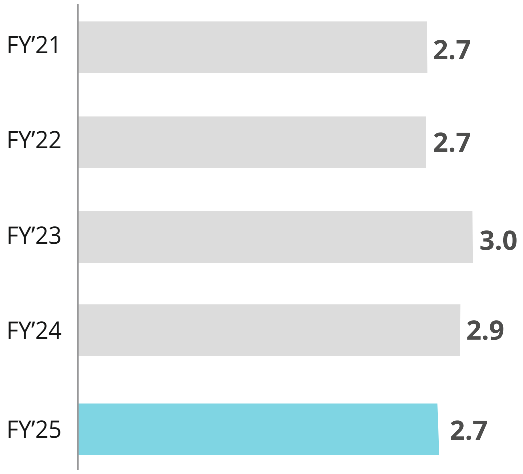
Cost to Income 35.8%

in %



Opex to Assets 2.7%

in %



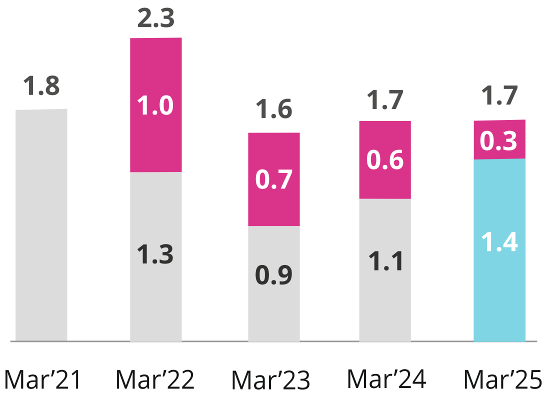
Note: Graphs are not to scale

Performance Highlights

Asset Quality Metrics

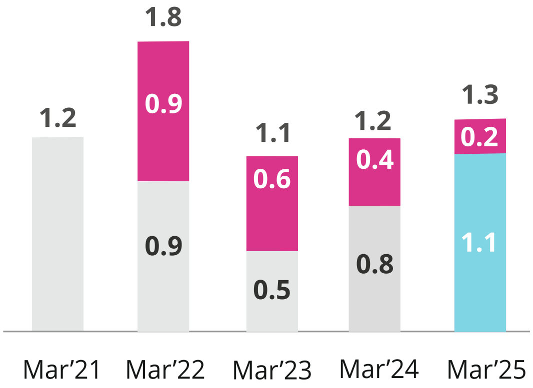
GNPA 1.7%

in %



NNPA 1.3%

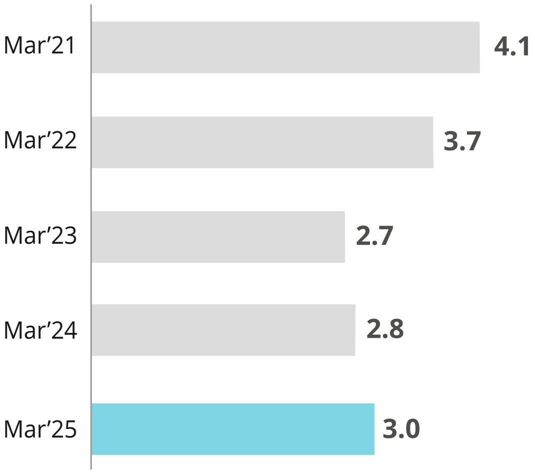
in %



● Re-classification due to RBI circular

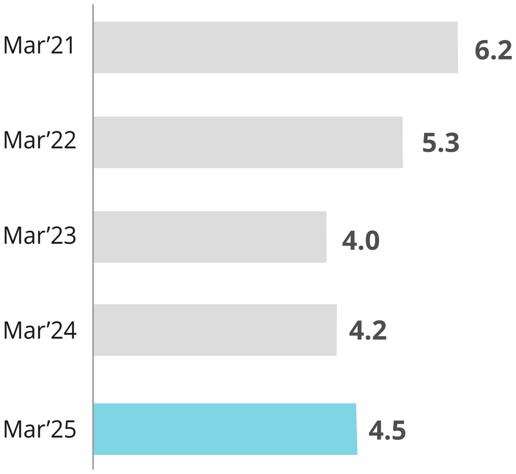
30+ DPD 3.0%

in %



1+ DPD 4.5%

in %



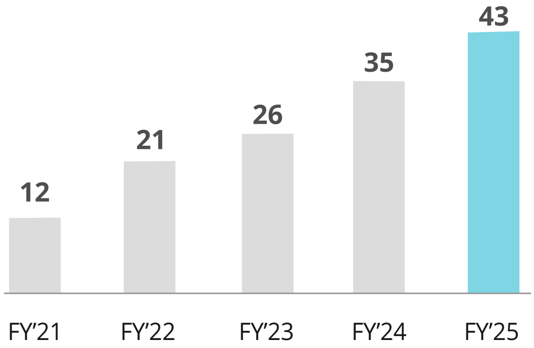
Note: Graphs are not to scale

Performance Highlights

Operational Metrics

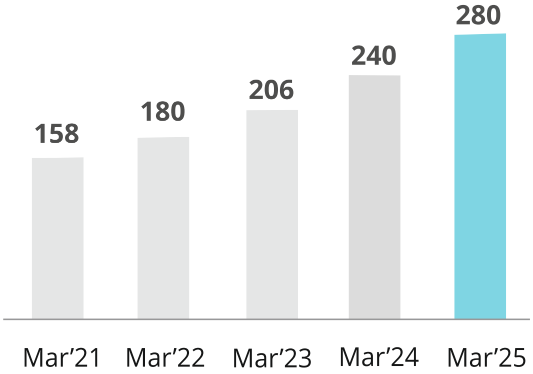
EPS ₹43

in ₹



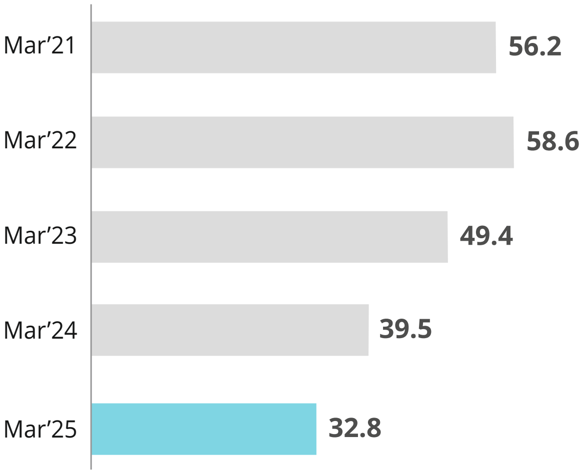
BVPS ₹280

in ₹



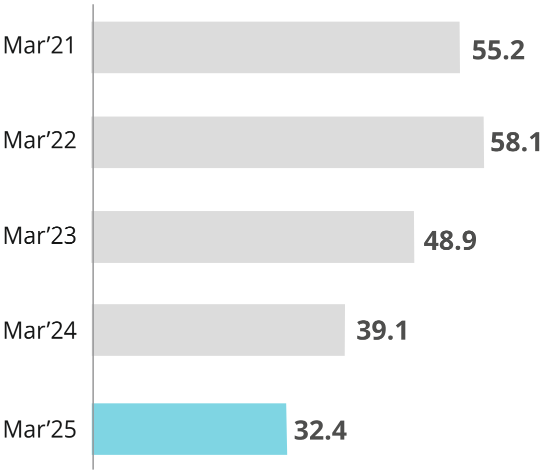
CRAR 32.8%

in %



CRAR - Tier 1 32.4%

in %



Note: Graphs are not to scale

Chairman's Statement

HomeFirst will continue to focus on housing finance by expanding our network of touchpoints, including branches and granular sourcing channels. We have built a scalable and profitable business model which would grow larger through a calibrated expansion strategy, focus on the quality of the book and a diversified lender base.

Deepak Satwalekar

Chairman / Independent /
Non-Executive Director

Dear Shareholders,

It is my privilege to share with you an update on the performance of your Company for FY25, along with my perspective on the broader economic and sectoral environment in which we operate. We continue to see a large, long-term opportunity in the affordable housing finance sector—and I am pleased to highlight that your Company is well-positioned to harness this potential.

The global economy demonstrated resilience during FY25 despite continued geopolitical uncertainties and trade tensions. Inflationary pressures eased, offering central banks some flexibility to adjust policy rates. However, evolving global trade dynamics will need to be closely monitored during Fy26.

India's economy, supported by prudent fiscal policy and domestic demand, sustained its growth momentum. According to the National Statistical Office's (NSO's) second advance estimates, GDP is expected to grow at 6.5% in FY25, following a robust 9.2% growth in FY24. While global headwinds persist, India remains poised for steady growth, aided by government spending on infrastructure and employment schemes, tax relief measures, easing inflation, and RBI's accommodative stance on monetary policy. However, one cannot ignore the global trade dynamics and the uncertainty caused by its volatility.

India's progress over the past decade has been quite remarkable. The economy's global position has gone from the tenth largest ten years ago to the fifth largest today. As the country approaches a new era of progress and development, the vision of building a *Viksit Bharat* calls for housing to play a pivotal role in fostering a prosperous, sustainable, and inclusive future. The reason why housing is crucial is because it is a huge employment generator and also has significant backward and forward linkages to key sectors in the economy. The government has therefore been supportive of growth in housing and been instrumental in providing necessary impetus especially towards the needs of the low-income and weaker segments. During the year, PMAY-U 2.0 was launched with an objective of providing financial assistance to 1 crore urban middle-class and economically weaker families over next five years.

Improving per-capita income and socio-economic trends continue to drive housing demand in the country. Given low credit penetration, increasing digitisation and credit availability, demand for housing finance would continue to grow over the next few decades. This provides immense opportunities to housing finance players, like HomeFirst, to build a sustainable business model while serving the country's social fabric toward achieving "Housing for all".

India has made remarkable strides in digitising its economy in recent years. It has the world's second largest mobile and internet network by number of users. Its digital identity network is amongst the world's largest. India also tops the world in terms of the volume of digital transactions. Utilising emerging tools and technologies, such as artificial intelligence, blockchain, machine learning, and the internet of things, has been gaining popularity. These advancements and digitisation bring plethora of opportunities even to the financial institutions to create differentiated segment specific agile business models to curate accurate and faster lending decisions. HomeFirst has been a forerunner in embracing the change as we leverage technology to harness its full potential to drive operational efficiency, deliver faster turnarounds, gain better insights on financial and non-financial conditions of borrowers, 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".

In FY24, HomeFirst was granted a Corporate Agent ("Composite") license for soliciting life, general and health insurance by IRDAI allowing us to offer insurance to our customers and ensure that the home loans are protected by the insurer in case of any eventuality at the customer's end. During FY25, we partnered with various leading insurance companies and started offering insurance to our customers which ensures protection of both - home loans and customers.

On the business side, FY25 has been another strong year in our journey as we continue to expand our presence and penetrate deeper within our 13 states/ union territory. During the year, we expanded our reach to 10 more districts and added 40 more touch points (including 22 branches). Our disbursements grew 21.2% over last fiscal driving a 31.1% growth in our AUM to ₹12,713 Crores. The growth is well-balanced with our asset quality remaining stable, and profitability continuing to improve further. Our GNPAs, as of Mar'25, were at 1.7% as against 1.7% as of Mar' 24. Your Company has delivered an ROE of 16.5% in FY25 (15.5% in FY24). Also, considering the profitable trend and capital buffers that we have, the Board of Directors, after due deliberation, keeping in mind the expectation of various shareholders, has decided on a dividend of ₹3.7 per share (₹3.4 per share declared for FY24).

Your Company continues to have strong relations with lenders and has broadened the pool of lenders from 31 relationship last year to 35 now. Your company's strong focus on financial management during the year, was acknowledged by the rating agencies which have reaffirmed their confidence in your Company. Our long-term rating from ICRA Ratings has been upgraded to "AA Stable" w.e.f. 28th May'25; while those from CARE Ratings and India Ratings continue to be at "AA- Stable" and "AA- Positive" respectively; at the time of this letter going into print. I am delighted to mention that your Company has successfully raised fresh equity capital of ₹1,250 crores during Apr'25 through its maiden Qualified Institutional Placement ("QIP") offer. Your management did an excellent job of raising this capital during an extremely volatile period in the market. The proceeds from the fund raise would augment capital adequacy, strengthening our ability to continue the long-term growth journey.

Your Company has an active focus on ESG responsibility and our ESG programs are committed towards promoting environmental sustainability and community empowerment with special attention to supporting migrant-dominated neighbourhoods towards self-sufficiency. The CSR programs are focused on setting strong foundations to sustainable wellness and upliftment through educational programs for schoolchildren, skilling young minds to pursue better employment opportunities, empowering women through financial guidance and knowledge. We also provide free health checkups to the ones in need. Over 7,700 people have been benefitted by the scope of these programs, and we are dedicated to growing our influence for a wider impact. Also, under our partnership with International Finance Corporation ("IFC"), we have been promoting development of energy efficient "Green" homes. These houses consume less water and energy making them 20% more energy efficient. During the year, we got 120 homes certified under this initiative.

Your Company's commitment towards ESG responsibilities is being well recognised and validated by independent global agencies. Our ESG score from S&P ESG Rating increased from 34 last year to 46 underlying the sustained focus on aligning our lending practices and operations with United Nation's Sustainable Development Goals. Morningstar's Sustainalytics continues to assign industry leading ESG score to HomeFirst in "low-risk" category with a score of 16.2.

HomeFirst will continue to focus on housing finance by expanding our network of touch-points, including branches and granular sourcing channels. We have built a scalable and profitable business model which would grow larger through a calibrated expansion strategy, focus on the quality of the book and a diversified lender base.

We value the support provided by all stakeholders, Reserve Bank of India (RBI), National Housing Bank (NHB), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), our customers, lenders, rating agencies, management team, investors, 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 industry leading performance without them.

Deepak Satwalekar,
Chairman & Independent Director

From the desk of MD & CEO

> *“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”*

Manoj Viswanathan

Managing Director and CEO

Dear Shareholders

Sometimes, we notice a sapling push through a crack in the pavement. That sapling represents the tenacious power of growth once it finds even a sliver of soil. For millions of Indian families, their first home is that sliver: a small plot of “certainty” in an uncertain world.

Seema Yadav, a first-generation homeowner and Home First customer from Indore said: “This is my home, our home. It’s a symbol of everything I've worked for in life. My children now have a safe, comfortable place to grow up.” Her words capture the essence of our theme for FY25: proving, again, that when you give families a secure roof, you give them the psychological bedrock on which family well-being, education and economic progress, are built.

We have been serving and continue to serve customers in the affordable housing segment, over the last 15 years. Our Assets Under Management crossed ₹12,713 crore, rising 31.1% year-on-year, while Profit After Tax reached ₹382 crore, up 25%. We achieved this while keeping spreads at 5.2% and Opex-to-Assets at 2.7%. Return on Equity climbed to 16.5% and asset quality held steady with GNPA at 1.7%. Proof that profits and prudence can, in fact, share a flat without fighting over the remote and demonstrating a business model that gets more efficient at scale.

Behind those numbers is a widening physical and digital footprint. We added 40 new touchpoints (22 full-service branches) and now serve customers through 155 branches and 361 total points of presence across 13 states and a union territory. Our team grew by 385 to 1,634 talented colleagues, with a median age of just 26. Being “swift” is one of our core values - Ninety percent of loans continue to be approved within 48 hours.

In April, we successfully raised ₹1,250 crore via a Qualified Institutional Placement (QIP), further fortifying an already strong balance sheet and giving us ample capital to pursue our next phase of expansion. Further, in May'25, ICRA Limited upgraded our long-term ratings to "AA Stable" from "AA- Stable".

This year we commissioned an independent longitudinal study covering 280 families who received their first home loan from Home First and have now been home owners for over six to eight years. The findings validate what we see in our branch visits every day:

Homeownership Impact:

Lifestyle & Well-being-

Significant positive effects on stability, mental well-being, and family time.

Improved living conditions, better access to healthcare, and safer neighbourhoods for most customers. Social stature improved significantly.

Education and Investments-

Many families focused on school tuition and private tutoring for children. Educating children gave them a sense of pride and fulfillment.

A vehicle was the most common new asset acquired after homeownership.

Finance & Asset Accumulation-

A significant percentage of families reported changes in income or savings.

Some families have increased lifestyle spends and have seen reduced savings. Self employed customers reported improvement in earnings associated with business expansion.

The research findings are as uplifting as a balcony breeze and reminds us that a house is the platform from which families educate their children, launch micro-enterprises, and participate confidently in their communities. Home, quite literally, is the foundation of growth.

Yes, geopolitics was choppy and commodity prices had more mood swings than our teenage children. Macroeconomic cross-currents persisted in the rising-rate backdrop for much of the year. Yet demand for affordable housing remained resilient, underpinned by urbanization and favorable demographics. By pairing disciplined credit filters with our centralized, data-science-driven underwriting stack, we continued to lend with prudence while still saying “yes” to customers traditional lenders too often ignore.

Technology is our moat. Account-Aggregator data, e-Sign, and fully digital stamp duty processes now cover more than half of new sourcing, compressing turnaround times and freeing my frontline colleagues to focus on human conversations instead of paperwork. We are exploring generative-AI to augment our communication, and collection strategies — always with the guard-rails of strong cybersecurity and human oversight.

Three priorities will shape FY26 and beyond:

Deeper reach: Within our core geographies we still hold single-digit market share. We will add 30-40 incremental “phygital” touchpoints, supported by our connector network, to embed ourselves even more locally.

Customized products: Customers in our target segment face nuanced challenges in obtaining a home loan from traditional channels. This presents a big opportunity for us to understand the customer better and tailor the product to his/her needs.

Human capital that compounds: , As we keep investing in people, we believe structured capability-building is essential. We are rolling out a digital learning academy and leadership boot camps to create the next generation of branch and risk managers.

None of this happens without the trust of more than one lakh customers, the commitment of our young and hungry team, the guidance from our regulator and the unwavering support of you, our bankers and shareholders.

As we enter the coming year, we carry a simple conviction: when a family signs their first set of home-loan documents, they are laying the foundation for everything that can grow on top of this— education, enterprise, security and dignity. Home First will stand beside them as their staunch partner, helping them build that foundation faster, easier and stronger !

Thank you for your continued confidence.

Manoj Viswanathan

Managing Director & CEO

Home as the foundation of change

Addressing a critical gap: Understanding the everyday and evolving impact of homeownership among homefirst customers

Impact Report

Understanding "Homeownership"

A Joint Study by HomeFirst and Sattva Consulting

India's affordable housing has witnessed remarkable growth over the past decade, driven largely by demand from households in the (EWS) and (LIG) segment. But a critical question remains largely unanswered: **What happens after homeownership begins?**

While much has been done to expand credit access, there is limited documentation on the **human impact of homeownership**—how it transforms everyday life, financial behaviour, aspirations, and household decision-making, especially over time.

To address this gap, HomeFirst partnered with **Sattva Consulting** to undertake a comprehensive impact study. This research explores how homeownership impacts families across ten cities, drawing on the lived experiences of HomeFirst customers.

Key Highlights

Across our anchor parameters we saw a varied impact of homeownership. The key transformation has been in lifestyle and well-being, emerging as the most quoted impact. Moderate impact was observed in other aspects such as educational investment, asset accumulation, income and savings growth. The following table is the lay of the land of this research.

Rank	Parameter	Positive Impact	No Impact	Negative Impact
01	Lifestyle & Wellbeing	79%	10%	11%
02	Education Investment - Children	45%	55%	0%
03	Income Growth	36%	61%	3%
04	Savings Growth	35%	47%	18%
05	Asset Accumulation*	34%	62%	4%

Homeownership Impact on Families - Parameter View

High Positive Impact: Reported by >40% of survey respondents. Positive Response: Reported by up to 40% of survey respondents. n=280 for Lifestyle, Income, Savings & Assets, n=228 for Education Investment for Children. Multiple Choice Question.

Note: *Bought assets, apart from their own house

Foundation of Change

Impact Report

Lifestyle Improvement is Clear; Financial Change is Gradual

While homeownership improved living standards, access to better infrastructure, and family bonding, its impact on income, savings, and asset-building was moderate.

79%

reported improved lifestyle and well-being

43%

increased spending on childs education

36%

saw an increase in income

35%

saw an increase in savings growth

Self-Employed Households Benefited the Most

Among all cohorts, the self-employed emerged as the most positively impacted group:

- Many took calculated risks to expand businesses from home
- Improved housing helped run enterprises more efficiently

63%

reported greater stability

Children's Education is a Priority, Not a Luxury

Even with limited increases in income, families continued to invest steadily in their children's education—especially among the self-employed.

- Focus was mainly on school tuition, not yet on higher education or professional courses
- **The motivation:** create a better environment for children and distance them from negative influences

Foundation of Change

Impact Report

Women Play a Less Visible, Yet Deeply Impactful Role

Women, particularly in joint families and low-income households, were often not primary decision-makers—but they served as emotional anchors. In nuclear and women-led households, women actively shaped homeownership decisions, driving long-term planning and household priorities.

- Homeownership led to greater agency in managing finances, planning for children's education and influencing home location

49%

of women gained a sense of emotional security

Relevance to HomeFirst's Mission

HomeFirst serves thousands of new-to-credit first-time homebuyers on their journey towards homeownership. We have always held the belief that a home is more than just an asset. For a family who is owning a home for the first time, it is a foundation for stability, dignity and growth.

This research strengthens that belief with evidence. It aligns with our purpose of enabling inclusive homeownership and deepens our understanding of borrower behaviour, aspirations, and challenges—insights that will guide more perceptive, responsive and scalable solutions for India's affordable housing.

Study Methodology

This was a mixed-methods study combining quantitative and qualitative approaches

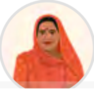
- **280 household surveys across 10 cities** covering a mix of **EWS, LIG, and MIG homebuyers**
- **30 in-depth interviews (IDIs) across 6 cities** to understand lived experiences
- Respondents had an average homeownership **experience of over 6 years**, allowing us to assess the long-term impact
- The study captured insights across key parameters: lifestyle and wellbeing, income and savings growth, asset accumulation, and educational investment for children
- Analysis also segmented impact by income bracket, gender roles, employment type, and urban tier (Tier 1 vs Tier 2 cities)

Foundation of Change

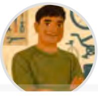
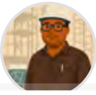
Impact Report

Homeownership aspirations differ by income segment

EWS and LIG focus on stability and security, while MIG and HIG seek upgrade and improvement for upward mobility.



Before Homeownership	EWS					LIG	MIG
Personas	**Vinod**	**Pooja**	**Ramesh**	**Rajan**	**Prakash**	**Vikram**	**Arjun**
	A machine operator in a saree-making factory, sole earner, seeking stability, safety, and basic amenities for his wife and two kids.	A housemaid and single mother, bought a decent home in a better area to shield her son from negative influences.	A diamond-cutter, and Sita, a saree factory worker, sharing financial responsibilities and seeking affordable housing with basic amenities.	A migrant-turned-ration shop owner, built a home as a symbol of social mobility to host visiting relatives.	A carpenter, seeking an affordable, safer environment near schools for the future of his children.	A bicycle repairman, seeking a bigger home for marriage prospects of his sons and to accommodate future family post-marriage.	An engineer, seeking a well-built home to accommodate growing family size for post-marriage needs of brothers and himself.
After Homeownership	EWS	LIG				MIG	HIG
	Socio-Economic Shifts Over 7–8 Years of Homeownership						
Income*	₹12,000 p.m.	₹15,000 p.m.	₹15,000 p.m.	₹15,000 p.m.	₹20,000 p.m.	₹30,000 p.m.	₹60,000 p.m.
Lifestyle and Wellbeing	🟨	🟨	🟨	🟦	🟦	🟦	🟦
Savings	🟥	🟥	🟥	🔷	🔷	🔷	🔷
Education Investment - Children	🟪	🟦	🟦	🟦	🟦	🟦	🟦
Asset Accumulation	🟪	🟦	🟦	🟦	🟦	🟦	🟦
Income**	🟥	🔷	🔷	🔷	🔷	🔷	🔷
Aspirations	Loan Repayment	Upgrade Lifestyle, Purchase Vehicle, and Buy Home for Son's Marriage	Improve Home Amenities and Invest in Children's Education	Invest in Children's Education and Expand Business	Upgrade Lifestyle; Improve Home Amenities and Invest in Children's Education	Upgrade Lifestyle; Purchase Vehicle, and Start Family Businesses	Expanding Homes, Buying Vehicles, and Investing in Second Properties

🟦 Positive Impact: Attributable to homeownership
🔷 Positive Impact but not attributed to homeownership
🟨 Both Positive and Negative Impact
🟥 Negative Impact
🟪 No Impact

Heatmap of Homeownership Impact on the Identified Personas.

*HH income refers to the monthly income of the household at the time of Homeownership

** HH income refers to the current (at the time of the study) monthly income of household; seven to eight years post homeownership.

The persona-level insights are based on our in-person field interactions with 30 respondents across six cities.

Foundation of Change

Impact Report

Pre Ownership Factors Motivating Home Ownership

Homeownership was driven by the desire for safety, security, and stability—offering freedom from rent hikes, relocations, and landlord interference.

Sub-Parameters	Definition	Response
Family Security & Stability	Sense of safety & permanence for families	70%
Family Planning	Planning for children or marriage in the family	39%
High Rental Cost of Previous Accommodation	Financial burden due to the unpredictability of rising rents	23%
Social Status & Aspiration	Desire to elevate social standing & aspirations tied to homeownership, such as pride, recognition & a symbol of progress	11%
Proximity to Work/School/ Family	Preference for locations and closeness to support systems like schools, workplaces, and extended family	9%
Customisation & Control over Design	Autonomy to personalise the home according to family needs and preferences	3%

Factors Motivating Home Ownership

High Positive Response: Reported by >40% of survey respondents. Positive Response: Reported by up to 40% of survey respondents. n = 280 (total number of respondents). Multiple Choice Question.

■ High Positive Response
□ Positive Response

Key considerations while choosing a Home

Affordability emerged as the foremost consideration for the majority of the families. After affordability, the next strongly valued aspect was the quality of community and neighbourhood which highlights a focus on safety, familiarity and trust

Sub-Parameters	Definition	Response
Affordability	Ability to purchase a home within financial means	56%
Community & Neighbourhood	Importance of a safe & supportive environment—shaped by social ties, and trust in the surrounding community	37%
Proximity to Work/ Schools, or Hospitals	Preference for locations and closeness to support systems like schools, workplaces, and extended family	34%
Govt. Housing Schemes or Financial Incentives	Supportive programs or benefits provided by the government to reduce the financial burden of homeownership	13%
Ability to Customise Home Designs	Autonomy to personalise the home according to family needs, preferences	5%

Key Considerations when Choosing a Home

High Positive Response: Reported by >40% of survey respondents. Positive Response: Reported by up to 40% of survey respondents. n=280. (total number of respondents). Multiple Choice Question.

■ High Positive Response
□ Positive Response

Foundation of Change

Impact Report

Post Ownership

Breaking down each of our anchor parameters further, the table below shows each aspect we assessed within them.

Lifestyle & Wellbeing	**Education Investment - Children**	**Income Growth**	**Savings Growth**	**Asset Accumulation**
51% Greater stability and mental peace	**32%** School tuition or private coaching	**18%** Increase due to promotion or career advancement	**35%** Increased savings	**25%** Vehicle purchased
42% Access to social amenities - hospital, schools, parks	**11%** Higher education/college	**18%** Increase due to additional salary or income sources	**47%** No increase	**3%** Purchased gold
31% Enhanced living standard	**5%** Extracurricular activities (sports, music)	**61%** No increase	**18%** Reduced savings	**3%** Home improvement or renovation
30% Improved family bonding	**4%** Increased spending on professional courses	**3%** Decrease in income		**2%** Invested in financial assets - mutual funds, equity
19% Enhanced social/ community interactions	**55%** No additional investment			**2%** Acquired additional real estate
16% Improved sanitation & cleanliness				**1%** Investment in business-related assets
10% No noticeable change				**62%** No asset accumulated
11% Mental stress due to Mortgage Payments				**4%** Reduction in assets

Homeownership Impact on Families - Sub-Parameter View

High Positive Impact: Reported by >40% of survey respondents. Positive Response Reported by up to 40% of survey respondents. n=280 for Lifestyle, Income, Savings & Assets, n=228 for Education Investment for Children Multiple Choice Question - Lifestyle, Education, Asset accumulation Single Choice Question - Income & Savings.

- High Positive Response
- Positive Response
- No Impact
- Negative Impact

Foundation of Change

Impact Report

Shifting from Shelter to Security

For families in the EWS and LIG categories, owning a home was less about wealth creation and more about dignity, emotional stability, and basic safety.

- Homeownership reduced mental stress from housing instability—evictions, rent hikes, frequent moves
- It gave families a stable anchor in the city, enabling fuller participation in work, community, and social life. For migrant families, especially, it offered a firm foothold and inspired progress across their wider communities
- It changed how families planned—longer-term thinking replaced daily survival

Stability vs. Growth: Professional Cohort Analysis

Different employment types experienced homeownership differently:

Formal Workforce

Employed with official documentation like contracts, salary slips, or registration under social security schemes.

E.g., Accountant, School Teacher, Nurse, Government Officer

Improved savings	**37%**
Increased household income	**20%**
No asset accumulation	**63%**

Informal Workforce

Lacks formal employment records, typically paid in cash and excluded from social protections.

E.g., Labourers, Maids/Househelp, Gig Workers

Improved access to social amenities	**44%**
Increased assets (vehicles)	**28%**
Increased mental stress due to mortgage	**17%**

Self- Employed

Earning income through one's own business venture or professional skill, without being employed by an rganization.

E.g., Vegetable Vendor, Shop Owner, Water RO Business Operator

Greater sense of stability	**63%**
Enhanced standard of living	**36%**
Increased household income	**22%**

Defining Professional Cohorts & Impact on Professional Cohorts

High Positive Impact: Reported by >40% of survey respondents. Positive Response: Reported by up to 40% of survey respondents. n=155 (Formal Workforce), n=64 (Self-Employed), n=54 (Informal Workforce).

■ High Positive Response
▨ Positive Response
□ No Impact
▧ Negative Impact

> Self-employed families experienced a greater sense of stability post homeownership

> Informal workforce experienced improved access to social amenities

Foundation of Change

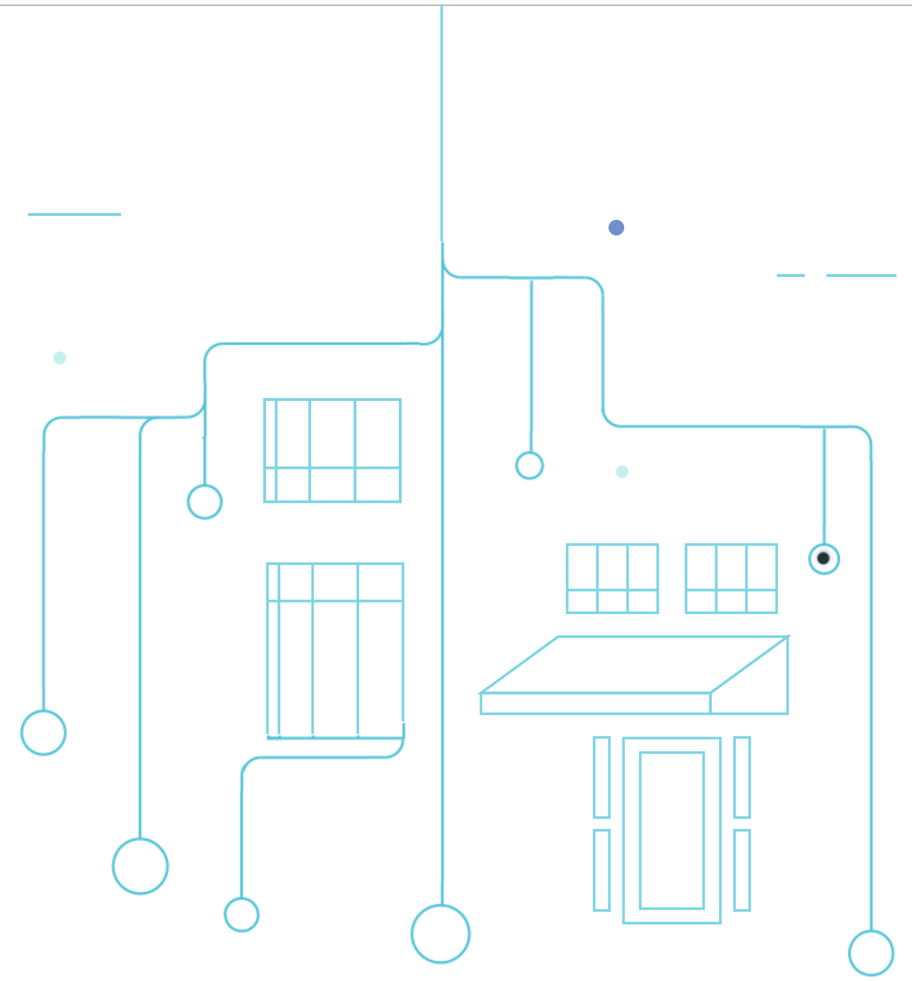
Impact Report

Beyond the Home: **Aspirations**

- Years after becoming homeowners, families are no longer focused on just having a roof over their heads. Their priorities have evolved.
- With stability in place, they now look toward growth: upgrading homes, purchasing vehicles, investing more confidently in their children's education, and achieving a better standard of living.

> *Families are now looking for incremental upgrades*

Larger Homes **Improved Lifestyle**



Overarching Themes and Implications

Homeownership Delivers Stability First, Growth Later

For low- and middle-income families, a home is the first step toward emotional security, routine, and community belonging. Tangible financial benefits take longer and depend heavily on employment type and location.

Semi-urban Areas Hold the Key to Scalable Impact

With lower costs, local livelihoods, and stronger family support networks, semi-urban areas offer more sustainable and aspirational homeownership journeys than their metro counterparts.

Credit Maturity Is Rising

From top-up loans to voluntary prepayments, these families are using credit strategically. This emerging financial discipline highlights the need for lenders to go beyond access and focus on long-term engagement and support.

Larger Implications for **Policy and Practice**

- **Financial inclusion must go beyond access:** building long-term credit health and offering adaptive loan structures is key for low-income segments
- **Women-focused housing initiatives** can unlock more inclusive impact and generational upliftment
- **Homeownership is a developmental tool** its ripple effects touch health, education, and social cohesion
- **Housing in semi-urban area should be prioritised** in future affordability strategies
- At the policy level, **social assistance efforts should prioritize lower-income groups,** who tend to face more persistent challenges in the overall quality of life

Conclusion

This study offers important insights into how homeownership shapes the lives of low and middle income families in India. While financial outcomes such as income growth or asset accumulation may take time to materialise, the immediate benefits are clear—greater stability, improved living conditions, and a stronger sense of security. These are the basic ingredients of a sufficient and satisfactory life, which emerge from a home purchase.

For many households, owning a home enables long-term planning, supports children's education, and encourages more confident participation in both financial and social aspects of life. These outcomes reflect steady progress toward improved quality of life.

As the demand for affordable housing continues to rise, especially in the urban peripheries, there is a growing need for housing finance solutions that are accessible for everyone and responsive to the lived realities.

Foundation of Change

Impact Report

Why It Matters To HomeFirst

To serve a customer well, a deep and thorough understanding of their lives is essential. As we continue to push our commitment to accessibility and service, the insights uncovered here will play a critical role in shaping how we respond to the needs of our customers as individuals and families navigating a significant life transition.

The findings allow us to move beyond assumptions, providing data-backed insights into what motivates first-time homebuyers, how they make key decisions, and how homeownership is experienced across different income groups, employment types, and life stages.

The study highlights how housing finance, beyond a transaction, is a longer journey toward stability, dignity, and forward momentum for our customers. This increased understanding clarifies the role we play as enablers of that transition and highlights where our approach to inclusion, service design, and long-term support must continue to evolve.

With this research, we contribute to the broader discourse on affordable housing in India, especially in the under-documented EWS and LIG segments. By investing in fieldwork and long-term observation, we are also building internal knowledge that informs innovation.

Looking Ahead

- As we scale, these insights will guide how we think about affordability, accessibility, and long-term support. With a continued expansion, we also aim for a deeper relevance in our customers' lives.
- For HomeFirst, this research is a part of an ongoing learning process to serve more meaningfully.

Read the Full Report

“અમે દરેકે ભગવાનનો આભાર માનીએ છીએ. અમે બહુ ખરાબ દિવસો જોયા છે અને ત્યાંથી અહીં સુધારાનો પ્રવાસ સાથે જ એક આશીર્વાદ જેવો લાગે છે.”

“We thank God everyday. We had such bad days and from there to here, seems like a true blessing”

“अब मैं दैनिक उपयोग के लिए अच्छी गुणवत्ता वाले उत्पाद खरीद सकता हूँ, मुझे दो बार सोचने की ज़रूरत नहीं है। क्योंकि मैं अशिक्षित हूँ, मेरे बच्चे अतिरिक्त खर्च नहीं कर सकते क्योंकि आय सीमित है। लेकिन उम्मीद है कि पोते-पोतियाँ बहुत बेहतर जीवन जिएँगे।”

“Now I am able to afford good quality products for daily use, I do not not have to think twice. Because I am uneducated, my kids cannot do extra spendings as the earnings are limited. But hopefully grandkids will live a much better life”

“हाँ, अब मुझे और मेरे परिवार को बहुत मानसिक शांति मिलती है, जीवन में और क्या चाहिए। मैं मनोरंजन गतिविधियों पर भी पैसा खर्च कर सकता हूँ।”

“Yes there is a lot of mental calmness that me and my family feels now, what else does one need in life. I am able to spend money on leisure activities also”

“நாங்கள் இங்கே நிலைத்தறமாக வாழ திட்டமிட்டு இருக்கிறோம். இது எங்களுக்கு வாழ்நாள் முழுவதும் பாதுகாப்பான இடமாக இருக்கிறது.”

“I plan to live here permanently. For us it is a secure place to stay forever”

“ಇದು ನಿಜಕ್ಕೂ ಸುಲಭವಾಗಿತ್ತಹುದು, ಏಕೆಂದರೆ ಬಾಡಿಗೆ ಮನೆಯಲ್ಲಿನ ಅನೇಕ ಸಮಸ್ಯೆಗಳು ಹಾಗು ಸವಾಲುಗಳಿರುತ್ತವೆ, ಆದರೆ ಇಲ್ಲಿ ಸಂಪರ್ಕ, ಸಂತೋಷ ಮತ್ತು ಸ್ಥಿರತೆ ಇದೆ.”

“It made everything easy actually as rented house comes up with lots of issues and challenging factors but here we are full of joy and happiness”

“આ ઘર મળવાથી અમારા પરિવારને એવી જગ્યા અને આરામ મળ્યો છે જે ક્યારેય નહોતો. હવે મારા પુત્ર પાસે શાંતિથી ભણવા માટે જગ્યા છે, જે પો પુરાના ઘરમાં શક્ય નહોતું.”

“Owning this home has given my family the space and comfort we never had before. My son now has a quiet place to study, which was impossible in our old house”

“આ ઘર ફક્ત નિવાસ નથી—આ તો મારા તમામ મહેનતનું પરિણામ છે. હવે મારા બાળકો પાસે સુરક્ષિત અને આરામદાયક પરિસ્થિતિ છે જેમાં તેઓ ઉછરી શકે.”

“This house is not just a home—it’s a symbol of everything I’ve worked for. My children now have a safe, comfortable place to grow up”

“अब मानसिक स्थिरता अधिक है। मैं ज़्यादातर बाहर काम करता हूँ, इसलिए अब मुझे अपने माता-पिता की भलाई के बारे में डर नहीं लगता। मुझे सुरक्षा की भावना महसूस होती है।”

“There is more mental stability. I work outside mostly so now I am not scared about the well being of my parents There is a sense of security that I feel”

புதிய வீடு கட்டிய பிறகு இளி மாவு விற்பனையைத் தொடங்க ஒரு வாய்ப்பு கிடைத்தது. அறைகள் இருப்பதால் பாதுகாப்பாக வைத்திருக்க வசதியாக இருக்கிறது, மேலும் தண்ணீர் மற்றும் மின்சாரம் பயன்படுத்துவதிலும் எந்தக் கட்டுப்பாடும் இல்லை.

“The newly constructed house gave a scope to start Idly batter selling because of spaciuos rooms which is easy to keep utensils, and the water, electriciy usage without any restriction”

“ಹೌದು, ಇವೆತೆಗೆ ಹೆಚ್ಚು ಸುರಕ್ಷತೆ ಹಾಗು ಸಂತೋಷದ ಅನುಭವವಿದೆ. ಈ ಮನೆಲು ಜೀವನ ಒಂದು ತೂಗುಬ/◌ಂಡೆಂತಹ ರೋಲರ್ ಕೋಸ್ಟರ್ ಸವಾರಿ (Rollercoaster ride) ಇಂದಿತ್ತು, ಆದರೆ ಇಲ್ಲಿ ಶಾಂತಿ ಮತ್ತು ಸ್ಥಿರತೆ ಕಂಡಿದೆ.”

“We feel more secure and happy as many factors were like rollercoaster ride before but now there is more stability after moving here”

Our Strategic Priorities

tech in mind

operational efficiency

scale and growth

funding

ESG

risk management

This section showcases how HomeFirst translates its core principles and values into action to further its vision and mission. We remain committed to this well-defined and comprehensive framework.

Tech in Mind

What we plan to do

Innovative technology to inform customers, enhance support, and maximise efficiency.

Building blocks and how we stack our thoughts

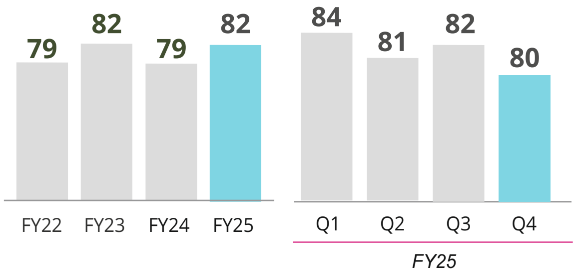
Technology is HomeFirst's competitive advantage. In an AI-driven world overflowing with digital solutions, we carefully discern and implement what truly adds value. Leading the way in tech-enabled lending, we ensure that innovation is deliberate, effective, and customer-focused.

Every day, we push automation further, refining processes for precision and efficiency. AI-supported underwriting, real-time analytics, and automated workflows slash turnaround times. Our digital infrastructure is constantly evolving—strengthening security, expanding self-service, and enhancing customer and partner interactions.

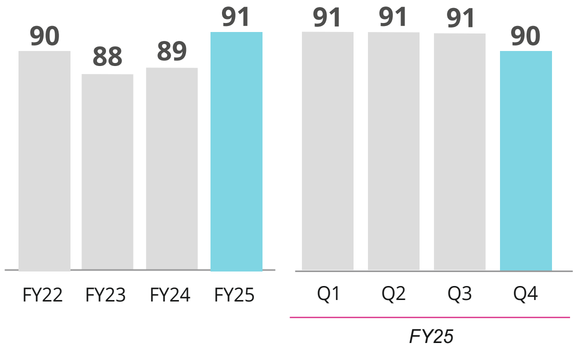
From seamless mobile applications to predictive analytics for smarter risk assessment, our tech-first approach keeps HomeFirst agile, customer-centric, and always ahead of the curve.

How will we measure it

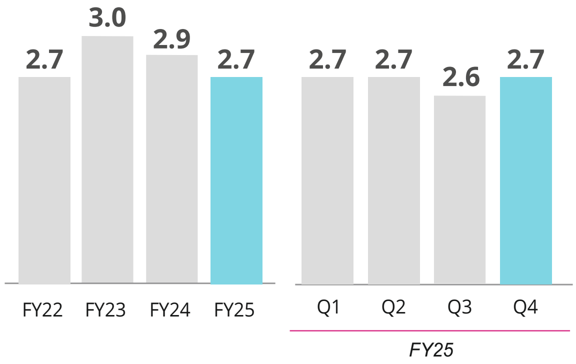
Customer NPS



Loans Approved within 48 hrs (in %)



Opex to Assets (in %)



Scale and Growth

What we plan to do

Built on a solid foundation of technology, a strong customer base, and operational excellence, we're set to soar.

Building blocks and how we stack our thoughts

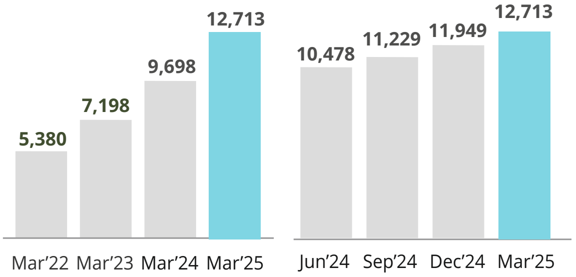
A home is more than just a structure; it is the foundation of stability, security, and progress. At HomeFirst, we see growth through the same lens—rooted in strength and built to sustain long-term impact. After 15 years of relentless expansion, we are now positioned to accelerate, not just scaling the housing finance landscape but shaping its future.

Technology has been our anchor, ensuring stability as we expand. Our robust digital infrastructure, AI-driven underwriting, and seamless customer interfaces provide the confidence to move forward with precision. We are set to widen our reach.

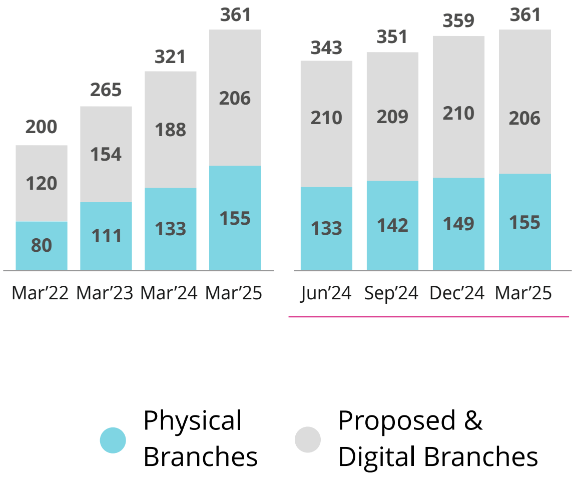
Our expansion strategy is clear: strengthen our presence in key markets while deepening our reach into high-potential regions. We have added Uttar Pradesh, Madhya Pradesh and Rajasthan to our strongholds. With this strong and wide foundation, a steady growth lies ahead.

How will we measure it

AUM Growth (in ₹ Crs)



Footprints



Operational Efficiency

What we plan to do

Building an environment which fosters high performance and empowers individuals to upskill, explore.

Building blocks and how we stack our thoughts

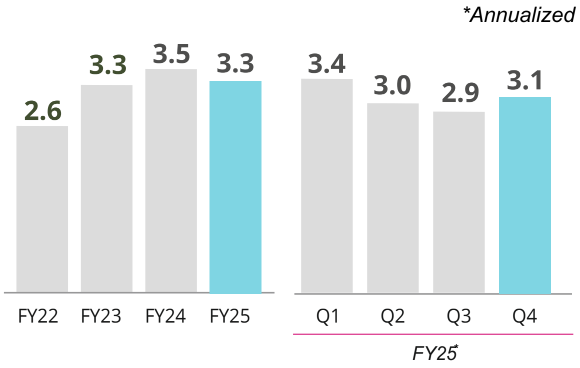
Efficiency isn't just about doing more—it's about doing better. At HomeFirst, we invest in our people, processes, and technology to create an organisation that moves with speed and precision. By fostering a culture of growth, we fast-track high achievers, nurture talent, and embrace diverse strengths within our teams.

Productivity is at the core of our operations. With a strong digital backbone, we eliminate repetitive tasks, allowing our teams to focus on high-value work. From customer service and business generation to collections and connector management, automation frees up time for sharper decision-making and stronger execution.

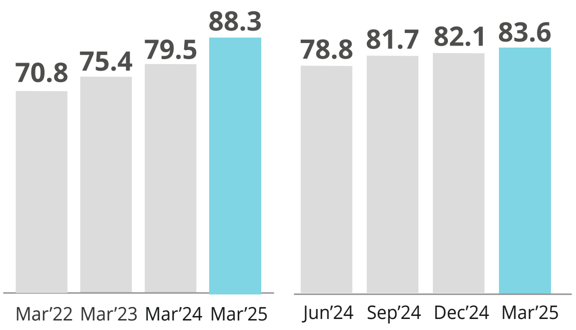
With empowered employees and seamless workflows, we are building an organization that delivers excellence at every level.

How will we measure it

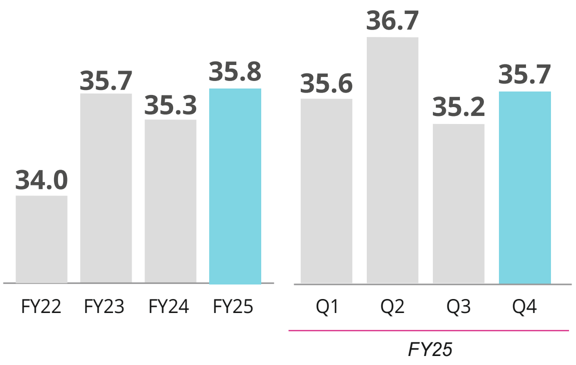
Disbursement/Employee (in ₹ Crs)



AUM/Branch (in ₹ Crs)



Cost to Income (in %)



Funding

What we plan to do

Secure diversified funding while optimising borrowing costs through disciplined financial stewardship.

Building blocks and how we stack our thoughts

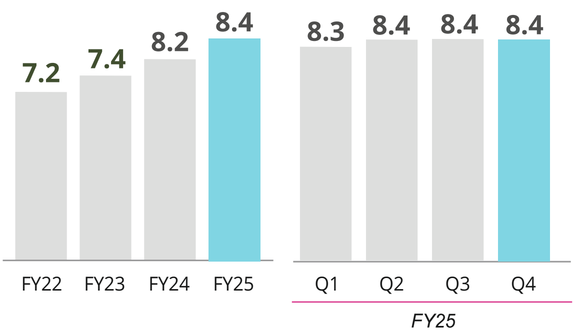
As we expand, our funding strategy is designed for resilience and long-term efficiency. We are methodically diversifying across a pool of capital —banks, capital markets, and development institutions—while maintaining strict adherence to Asset and Liability Management (ALM) principles. Our robust ALM framework ensures that every funding decision aligns with our broader stability objectives.

We have been attracting informed and strategic capital, driven by our sound fundamentals and well-defined growth trajectory.

Our sharp focus on credit performance continues to reinforce our credit ratings. Strong ratings unlock access to lower-cost capital, reduce refinancing risk, and enable sustainable expansion. At HomeFirst, funding is a strategic lever of trust, discipline, and scale.

How will we measure it

Cost of borrowing (in %)



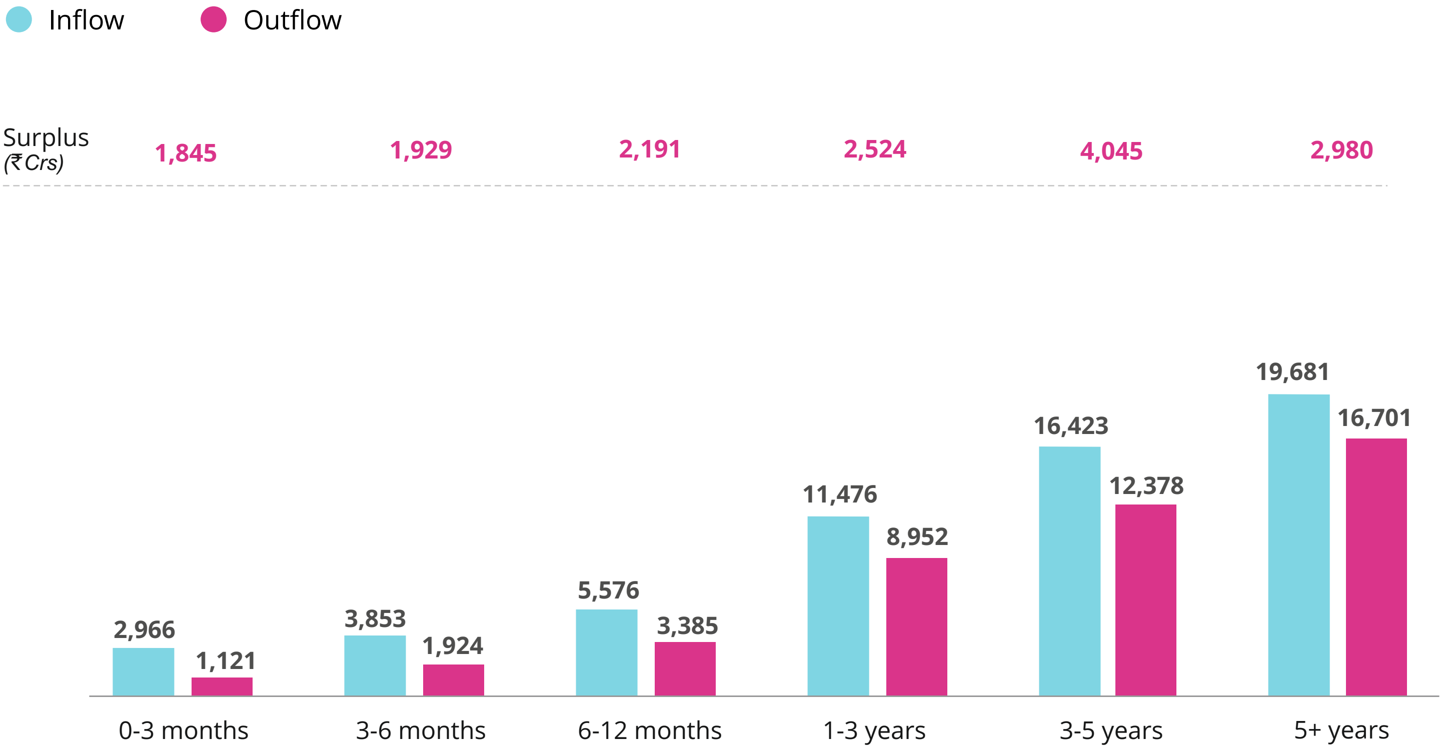
Rating Agency	Instrument	Credit Ratings FY23	Credit Ratings FY24	Credit Ratings FY25
ICRA	Term Loans and NCD	AA- (stable)	AA- (stable)	AA (stable)*
	Commercial Paper	A1+	A1+	A1+
India Ratings & Research	Term Loans and NCD	AA- (stable)	AA- (positive)	AA- (positive)
	Commercial Paper	A1+	A1+	A1+
CARE Ratings	Long-term Bank Facilities	AA- (stable)	AA- (stable)	AA- (stable)

**credit rating upgraded to "AA (Stable)" from "AA- (Stable)" w.e.f. May 28, 2025*

Diversified Lender Base

Lender	FY21	FY22	FY23	FY24	FY25
Bi/Multilateral	-	-	-	-	-
Foreign Bank	-	1	3	3	3
Insurance	-	-	-	-	-
MF	-	1	-	-	-
NBFC	1	2	2	3	4
NHB	1	1	1	1	1
Public Sector Banks	6	6	6	9	10
Private Sector Banks	9	10	13	14	15
SFB	-	-	-	-	-
DFI	-	-	1	1	2
Grand Total	**17**	**21**	**26**	**31**	**35**

ALM Position - Cumulative as of Mar'25 (in ₹Crs)



Risk Management

What we plan to do

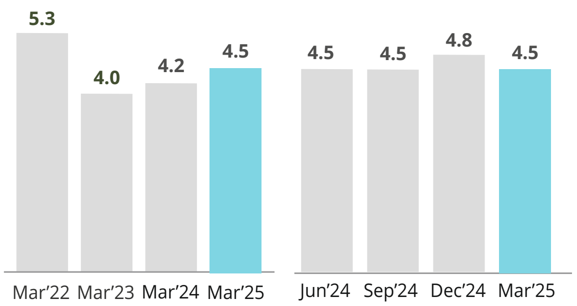
From a risk management perspective, Home First's strategic priorities are proactively managing credit risk, operational risk, and reputational risk. This includes leveraging technological edge while adhering to highest level of governance, maintain highest underwriting standards with zero tolerance on Regulatory non-compliance.

Building blocks and how we stack our thoughts

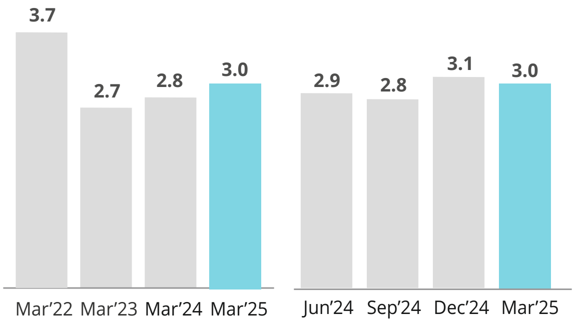
- Strong Governance Framework: Establishing a strong risk governance framework with clear reporting structures and dedicated risk committees to oversee risk management activities.
- Rigorous Underwriting: Leveraging the latest technology not only to automate processes and data analysis, but for enhancing underwriting standards and risk monitoring.
- Enhance risk management skill set : Ensuring employees are well-trained in risk management procedures and regulatory compliance.
- Compliance with Regulations: Ensuring compliance with all relevant laws and regulations, including those related to lending practices and consumer protection.
- Transparent and Fair Lending Practices: Maintaining transparent and fair lending practices to build trust with customers and stakeholders.
- Emerging Risks and external factors : Staying informed about emerging risks and considering the impact of external factors, such as economic downturns, interest rate changes, and housing market fluctuations, on loan defaults and repayment capacity.

How will we measure it

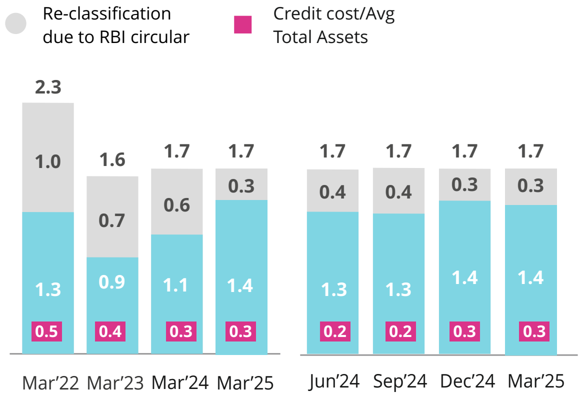
1+ DPD (in %)



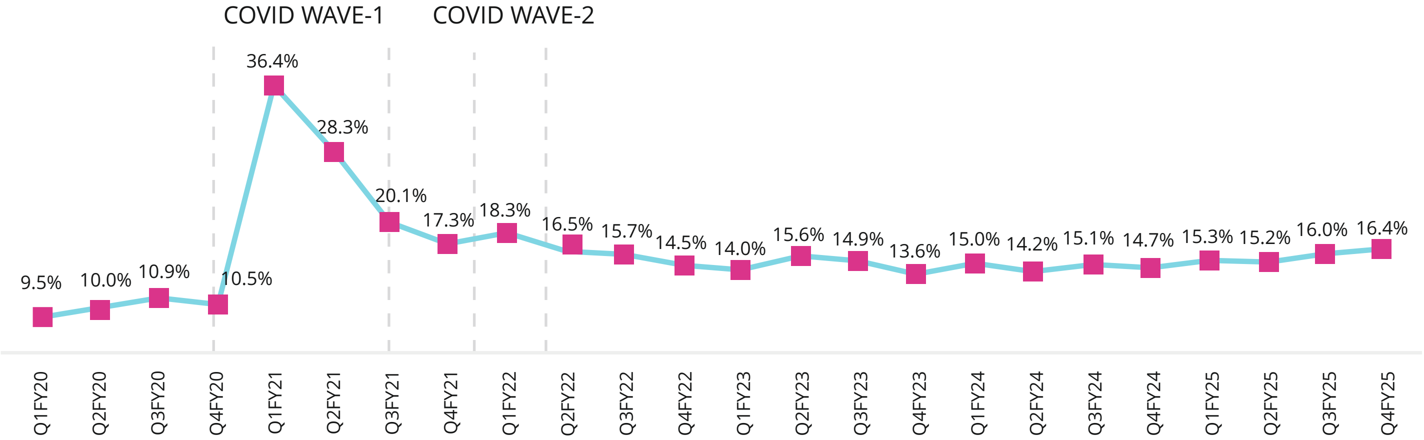
30+ DPD (in %)



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



Bounce Rate


COVID WAVE-1
COVID WAVE-2
9.5%
10.0%
10.9%
10.5%
36.4%
28.3%
20.1%
17.3%
18.3%
16.5%
15.7%
14.5%
14.0%
15.6%
14.9%
13.6%
15.0%
14.2%
15.1%
14.7%
15.3%
15.2%
16.0%
16.4%
Q1FY20
Q2FY20
Q3FY20
Q4FY20
Q1FY21
Q2FY21
Q3FY21
Q4FY21
Q1FY22
Q2FY22
Q3FY22
Q4FY22
Q1FY23
Q2FY23
Q3FY23
Q4FY23
Q1FY24
Q2FY24
Q3FY24
Q4FY24
Q1FY25
Q2FY25
Q3FY25
Q4FY25

ESG

What we plan to do

Integrate sustainability as a non-negotiable mandate within our core operations scrutinising the impact of every decision, enforcing accountability, and building a future-ready, trust-driven organisation.

Building blocks and how we stack our thoughts

ESG is not an obligation at HomeFirst, it a responsibility that is to be carried out with a real intent. We approach sustainability holistically, ensuring our business decisions align with ethical, environmental, and social well-being. We've identified 12 key focus areas that integrate ESG deeper into our operations, guiding us toward meaningful, measurable impact.

Environmentally, we are committed to lowering our footprint. From enabling green homes for our customers to digitising our entire product cycle, we are reducing paper use and promoting sustainable living.

Socially, our flagship CSR initiative supports migrant factory workers—a group vital to the country's growth yet often underserved. Through skilling and development programs, we work to uplift their lives and create opportunities for economic mobility.

Governance-wise, our strong policy framework is backed by an experienced and diverse leadership team. Their expertise across tech, inclusion, and risk ensures that ESG principles are integrated into every layer of decision-making.

Sustainability is how we future-proof HomeFirst and make sure we deliver value to every stakeholder.

16.2

Morningstar Sustainalytics ESG Risk Rating

46

S&P Global ESG Score

Board Of Directors

Deepak Satwalekar

Chairman / Independent / Non-Executive Director

Deepak Satwalekar is the Chairman and Non-Executive 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. Previously, he was associated with Housing Development Finance Corporation Limited as a Managing Director and HDFC Standard Life Insurance Company Limited as the Managing Director and Chief Executive Officer. Currently, he is associated with Wipro Limited as an independent director. He has also been recognised as a distinguished alumnus by the Indian Institute of Technology, Bombay. In addition to his corporate roles, Mr. Satwalekar has provided consulting services to several prestigious international organizations, including the World Bank, the Asian Development Bank, USAID, and the United Nations Human Settlements Programme (HABITAT).

Geeta Dutta Goel

Independent / Non-Executive Director

Geeta Dutta Goel is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in commerce from University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has been associated with Michael & Susan Dell Foundation India LLP ("**Dell Foundation**") since 2008, and served as its Managing Director from February 2018 to January 2025. Currently, she is associated with the Dell Foundation as its head of growth initiatives. She is currently Director on the Boards of Finreach Solutions Private Limited, Niva Bupa Health Insurance Company Limited, Equitas Small Finance Bank, CIIE Co. Ms. Goel has chaired India's Impact Investors Council from 2017 to 2019 and has contributed to various taskforces focused on Responsible Finance with the World Bank's Consultative Group to Alleviate Poverty.

Anuj Srivastava

Independent / Non-Executive Director

Anuj Srivastava is a Non-Executive Independent Director of our Company. He holds a bachelor's of technology degree in material & metallurgical engineering from Indian Institute of Technology, Kanpur and has attended the MBA Programme at London Business School. Previously, he was associated with Encentuate Inc as senior product marketing manager. He has also worked at Google's global headquarters in Mountain View, where he led product marketing and growth initiatives for the e-Commerce, Shopping, and Mobile Payments teams, as well as for Google Local/Maps and online advertising products like AdSense. Currently, he is associated with LivSpace Pte. Limited as its Co-founder and Director. He has been awarded with the Accomplished Entrepreneur Award by the Institute of Innovation and Entrepreneurship, London Business School.

Board Of Directors

Sucharita Mukherjee

Independent / Non-Executive Director

Sucharita Mukherjee is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in economics from University of Delhi and has a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Previously, she was associated with DB Group Services (UK) Limited as associate, Morgan Stanley UK Limited as Vice President – Global Capital Markets, Dvara Trust as senior vice president, Northern Arc Capital Limited (then known as IFMR Capital Finance Private Limited) as its chief executive officer, and IFMR Holdings as the chief executive officer. She has received the Young Alumni Achiever award in the entrepreneurship category by Indian Institute of Management, Ahmedabad and has been recognised as Young Global Leader by World Economic Forum and "top 40 under Forty" business leaders by Economic Times in 2016. Currently, she is associated with Kaleidofin Private Limited as its Co-founder, Managing Director and Chief Executive Officer.

Divya Sehgal

Nominee / Non-Executive Director

Divya Sehgal is a Non-Executive Nominee Director of our Company. He holds a bachelor's 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. Previously, he was associated with Mc Kinsey & Company as associate, ANZ Grindleys Bank, E Medlife.com Limited as Director and Apollo Health Street Limited as Chief Operating Officer. Currently, he is associated with True North Managers LLP as a partner. He is also on the Boards of AU Small Finance Bank and Protec General Insurance Limited.

Maninder Singh Juneja

Nominee / Non-Executive Director

Maninder Singh Juneja is a Non-Executive Nominee Director of our Company. 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, Lucknow. Prior to joining our Company, he was associated with Godrej and Boyce Manufacturing Company Limited, Godrej GE Appliances Limited, SRF Finance Limited, 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. He is also on the Boards of Niva Bupa Health Insurance Company Limited, Fedbank Financial Services Limited, Integrace Private Limited, Fincare Business Services Limited and Pine Labs Private Limited.

Board Of Directors

Narendra Ostawal

Nominee / Non-Executive Director

Narendra Ostawal is a Non-Executive Nominee Director of our Company. He is a Chartered Accountant, holds a post graduate diploma in management from Indian Institute of Management Bangalore and attended the international executive business program at the University of Chicago's Graduate School of Business. He is associated with Warburg Pincus India Private Limited since 2007 where he currently holds the position of Managing Director and leads the investment advisory activities in India. He has previously been associated with 3i India Private Limited and McKinsey & Company, Inc. He is also on the Boards of Warburg Pincus India Private Limited, Avanse Financial Services Limited, Fusion Finance Limited, IndiaFirst Life Insurance Company Limited, Vistaar Financial Services Private Limited, Micro Life Sciences Private Limited.

Manoj Viswanathan

Managing Director and CEO

Manoj Viswanathan is the Managing Director and CEO 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. 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. In his previous roles, he has gained extensive experience in consumer lending, encompassing sectors such as automobile loans, mortgages, and unsecured lending. At Citi Financial, he was heading the branch-based consumer lending business spanning 450 branches with a customer base of more than 1 Mn customers.

Management Team

● Years At HomeFirst
● Total Years Of Experience

Manoj Viswanathan

Chief Executive Officer

Manoj Viswanathan is the Managing Director and CEO of Home First Finance Company; and amongst the three founding members. He holds a Bachelor's degree in Electrical & Electronics Engineering from BITS, Pilani and an MBA from XLRI Jamshedpur. Manoj possesses extensive experience in consumer lending, encompassing sectors such as automobile loans, mortgages, and unsecured lending. Prior to HomeFirst Finance, he was working with Citibank and CitiFinancial Consumer Finance India Limited. At Citi, he was heading the branch-based consumer lending business spanning 450 branches with a customer base of more than 1 Mn customers.

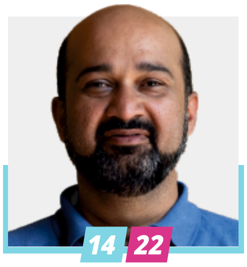
Past Work Experience: Citi Bank, CitiFinancial Consumer Finance India Limited and Asian Paints.

Ajay Khetan

Dy. Chief Executive Officer and Chief Business Officer

Ajay Khetan is the Dy. Chief Executive Officer and Chief Business Officer of our Company. He is a Mechanical Engineer from MNNIT Allahabad and has done his post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He has over 25 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 22 years of experience in consumer finance, marketing and product management. At HomeFirst, he has been instrumental in setting up sales distribution and evolving the brand identity of the Company.

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

Vilasini Subramaniam

Head - Strategic Alliances

Vilasini Subramaniam is the Head – Strategic Alliances of our Company. She is a commerce graduate and a Chartered accountant and has over 22 years of experience in consumer finance and credit. 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, she worked as Vice President – Credit & Risk, managing consumer credit and other operational risk parameters. 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

● Years At HomeFirst
● Total Years Of Experience

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 18 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, 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.

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

Past Work Experience: Sterlite Technologies Limited and IDFC Bank 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 20 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.

Rupesh Mehta

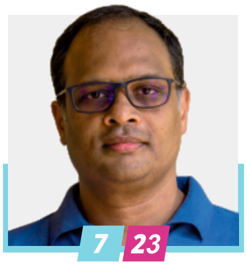
Head of Information Technology

Rupesh Mehta is Head of IT of our company. He holds a B.E in Electronics from Thadomal Shahani Engineering College, Mumbai and MBA degree in Marketing and Systems from Welingkar Institute of Management, Mumbai. He has over 18 years of techno functional experience in designing and delivering solutions in the banking and insurance domains.

Past Work Experience: Fidelity Investments, Bankbazaar.

Management Team

● Years At HomeFirst
● Total Years Of Experience

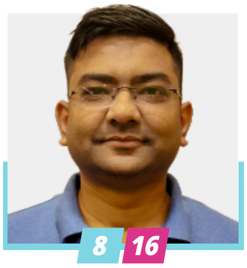


Arunchandra Jupalli

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 23 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.



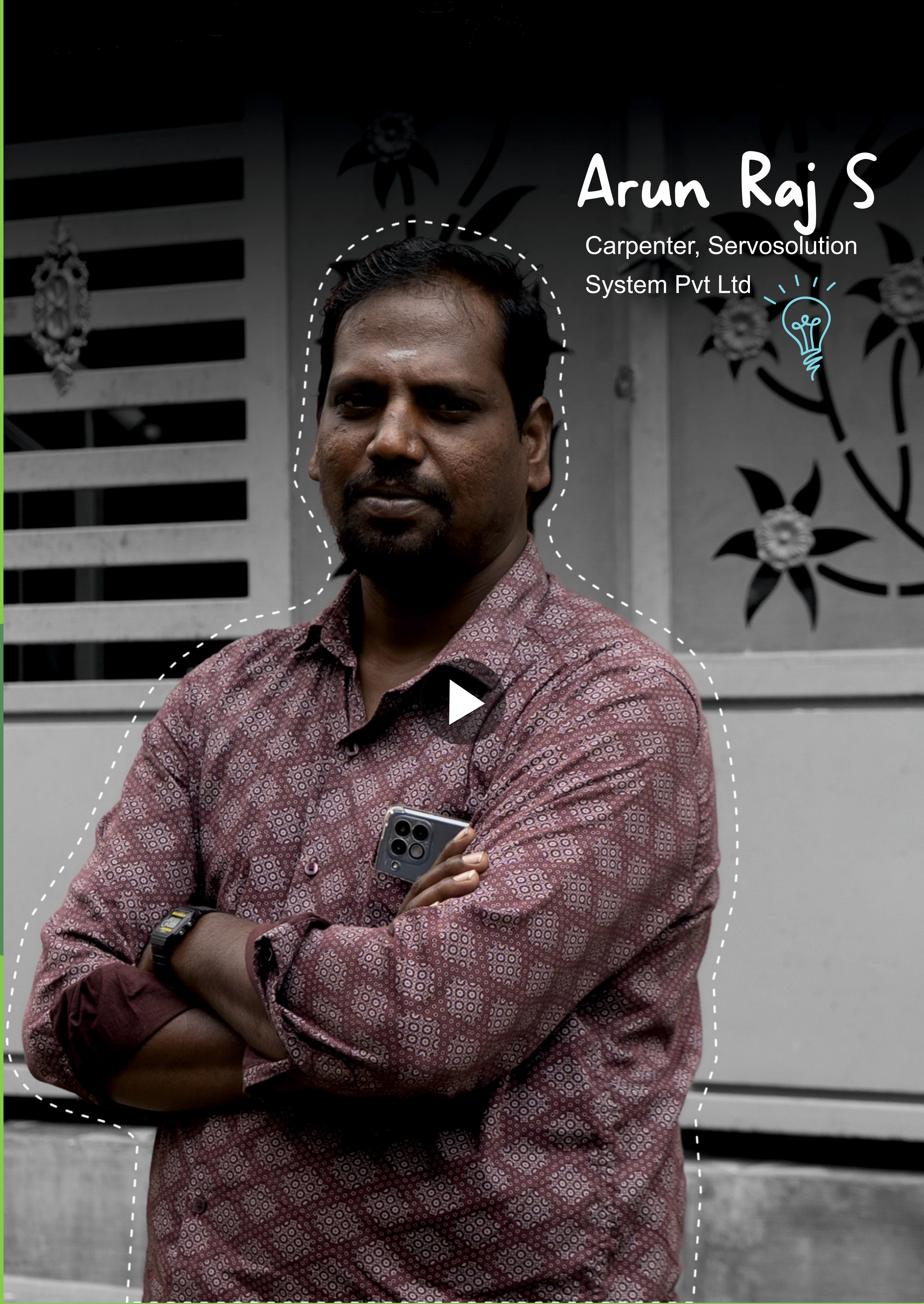
Shreyans Bachhawat

Company Secretary

Shreyans Bachhawat is the Company Secretary and Compliance Officer of our Company. He has over 16 years of Post qualification experience in corporate secretarial compliances.

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

Sustainability
Report



Arun Raj S

Carpenter, Servosolution System Pvt Ltd

Snapshot

Financial Capital

₹12,713Crs
Gross Loan Assets (AUM)
+ 31.1% y-o-y

1,17,989
Active Customers
+23.5% y-o-y

₹4,805Crs
Disbursements
+ 21.2% y-o-y

₹1,539Crs
Total Income
+ 33.1% y-o-y

₹382Crs
PAT
+ 25.0% y-o-y

16.5%
Return on Equity
+ 100 bps y-o-y

3.5%
Return on Assets
- 30 bps y-o-y

Credit Rating

AA
Stable
(ICRA)*

AA-
Positive
(IndRA)

AA-
Stable
(CARE)

ESG Ratings

46
S&P Global ESG Score
(2024: 34)

16.2
Morningstar Sustainalytics
ESG Risk Rating

**credit rating upgraded to "AA (Stable)" from "AA- (Stable)" w.e.f. May 28, 2025*

Social and Relationship Capital

89%
Of AUM have woman
as a borrower

13%
Of AUM have woman
as a Primary applicant

78%
of AUM having atleast
1 woman co-borrower

71,000+
CSR beneficiaries Impacted

Human Capital

1,634
No. of Employees

23,963
Total manhours training

28%
Women Employees

50%
Women at head office

Natural Capital

702kWh
Energy Intensity per ₹crores of turnover
(FY24: 764kWh)

11
Solar Pumps for
Marginal Farmers

120
Green House
Certification

Intellectual Capital

76%
Digitally agreements signing
during the year

65%
E-Stamping during
the year

79%
E-NACH mandates during
the year

96%
Customers registered
on App as of Mar'25

Overview by MD & CEO

Environmental, Social, and Governance (ESG) priorities are now central to how businesses operate and grow. Leaders across sectors are adopting a long-term view, recognizing that ESG considerations go hand-in-hand with building stakeholder trust and resilience.

KPMG India's 2024 CEO Outlook highlights a growing emphasis on ESG among Indian and global business leaders, many of whom expect the real value of these investments to emerge over the next five to ten years. Companies are aligned more closely with broader social and environmental goals, while rethinking what responsible business looks like in practice.

Climate Change and the Global Response

Climate change has far-reaching implications. It disrupts markets, affects livelihoods, and places pressure on natural and financial systems alike. Over the past decade, international frameworks like the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement have set a shared direction for collective climate action.

At 21st Conference of Parties (COP21) in 2015, 193 countries signed a legally binding agreement to keep global temperature rise well below 2°C, with a preferred target of 1.5°C. India responded by setting clear Nationally Determined Contributions (NDCs), and in the years since, has made substantial progress. At 29th Conference of Parties (COP29), India reported that it had achieved many of its targets well ahead of 2030, including emissions intensity reduction and expanding non-fossil energy capacity. The goal of 500 GW of renewable energy by 2030 now appears within reach.

These shifts have prompted Indian businesses to reassess risks and opportunities linked to climate change. ESG principles are becoming part of the operating core, as companies move toward more sustainable models. In India, regulators such as RBI and SEBI have introduced climate-related disclosures and frameworks to ensure stability and transparency across financial markets.

How ESG Shapes HomeFirst's Strategy

At HomeFirst, ESG is not treated as a separate agenda. It is built into our purpose—to make home finance simple, fast, and accessible for first-time homebuyers from India's aspiring middle class.

Overview by MD & CEO

Our approach to growth has always considered how we can deliver value responsibly, inclusively, and transparently.

Financial Inclusion Through Responsible Lending

Our journey began with the belief that homeownership can be a powerful catalyst for a better life. Over the years, we've worked with underserved customer segments to make the idea of owning a home more achievable.

This year, we commissioned a primary study to understand how "Homeownership" has impacted our customers. The findings validate that a home brings more than shelter. It contributes to long-term well-being, enhances life-style, social status and opens up new aspirations.

Clear and transparent communication remains central to our model. Product features, pricing, and repayment terms are explained in jargon-free local language, helping customers make informed decisions.

During FY25, our customer base grew to **1,17,989** from **95,512** as of Mar'24. Our Net Promoter Score (NPS), which helps track customer satisfaction and loyalty, improved to 82 from 79 last year.

Investing in People and Culture

Our people shape the way we work, grow, and serve. As the organization evolves, we remain focused on building a workplace that values fairness, growth, and inclusion.

Our performance systems emphasize transparent evaluations and continuous feedback, while our learning programs support personal and professional development.

Women currently represent **28%** of our team, and we continue to build policies that encourage representation across age, backgrounds, and identities. We're committed to equal opportunities in hiring, promotions, and leadership development.

Digital Systems for Sustainable Operations

Digitization plays a key role in making our business more efficient and sustainable. Nearly all our processes—from loan application to customer support—now run on cloud-based platforms. This shift has helped reduce paper usage, improve turnaround time, and ensure faster service delivery.

Digital tools also allow customers to access information, raise queries, and receive support in real time—making the experience smoother and more responsive.

Creating Long-Term Value in Communities

Through *Project Sashakt*, our flagship CSR initiative, we work with communities that often live on the margins—migrant factory workers and their families. The program focuses on essential areas like skill development, education, health, and financial training.

What started in Narol, Ahmedabad, has now reached other industrial settlements like Naroda and Lambha. Activities include school improvement efforts such as building smart classes, youth skilling programs, and access to basic health services. Over time, we plan to extend these efforts to more locations where we operate.

Overview by MD & CEO

Promoting Greener Housing Choices

In certain markets, we've seen growing interest in sustainable housing. We are building a portfolio of "Green Homes" in the self-built space. These homes are 20% more energy, water and GHG emission efficient than conventional homes. These homes support lower utility costs for customers while reducing the environmental footprint.

By Mar'25, 120 Green Homes were certified under the initiative. We see this as a step in the right direction, and hope to support more such choices in the future.

Governance as the Foundation

Strong governance ensures that values translate into action. At HomeFirst, our systems and policies are designed to promote transparency, ethical conduct, and sound decision-making.

We are supported by an independent Board and robust internal processes, including cybersecurity frameworks and ESG-aligned risk management. These safeguards help us stay resilient while responding to evolving risks and market expectations.

Looking Ahead

We continue to make steady progress on our ESG journey. We have received a "Low Risk" ESG Risk Rating of 16.2 from Morningstar Sustainalytics. During the year, our S&P Global ESG score increased from 34 to 46, a reflection of continued improvement and accountability.

Our work contributes to several UN SDGs —particularly those focused on affordable housing, financial inclusion, and community well-being.

The road ahead requires persistence, collaboration, and a clear sense of purpose. We are committed to building a company that grows responsibly and contributes meaningfully to the world around it.

– Manoj Viswanathan
MD & CEO, HomeFirst Finance Company

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
- Benefit & Growth
- Employee retention

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

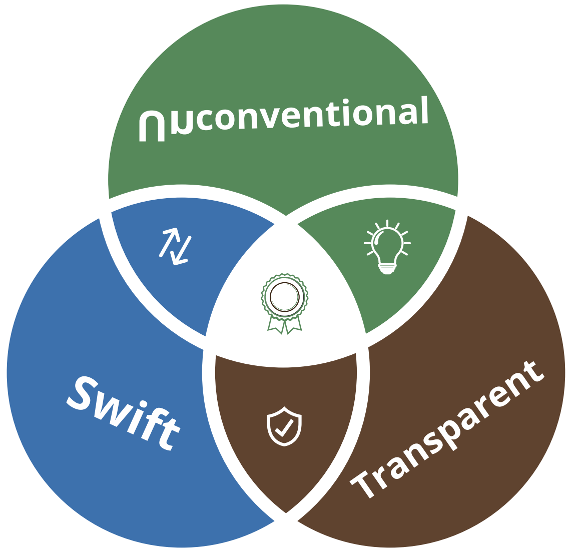
Intellectual Capital
- Digital Initiatives
- E-NACH, E-Sign, E-Vault
- Mobility Solutions
- Instant Soft Approval on App
- Biometric Authentication on Customer App
- Stable and scalable technology infrastructure
- Robust Cyber security Framework
- Account Aggregators

Manufacturing Capital
- Tangible Assets
- Technology

Value Creation Approach

External Environment
- Regulations
- Macro Economy
- Evolving customer behaviour
- Technological changes
- Market forces
- Customer requirements
- Financial Inclusion
- Socio-political issues

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

Outputs

Financial Capital
31.1% y-o-y AUM Growth
₹42.8 EPS
3.5% ROA
16.5% ROE

Natural Capital
46 ESG Score from S&P Global
702 kWh - Energy Intensity per ₹crores of turnover
Installation of Solar Pumps for **11** marginal farmer

Human Capital
1,634 Employee Count
14.66 Avg. training hrs per employee
₹27 Lakh Profit per employee
79% Post Graduate %
23,963 Manhours Training
25.5 years Median Age
28% Woman Employees
22% Females in Senior Management

Social & Relationship Capital
86% of Book with Ticket Size below ₹25 lakhs
61%+ EWS and LIG Loans
71,000+ CSR Beneficiaries
82 NPS Score

Intellectual Capital
4.3 Customer App Rating (16 May'25)
96% Customers Registered on App
89% Service Request Raised on App
76% Digitally Signed Agreements
65% E-stamping
57% Account Aggregator

Manufacturing Capital
13 States/UT
155 Physical Branches
361 Touchpoints (Including Physical Branches)

Outcomes

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

Employees
- Inclusive, Diverse and Safe Working Environment
- Skilled & 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
- FII & DII Ownership

SDGs

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Ethics & Governance

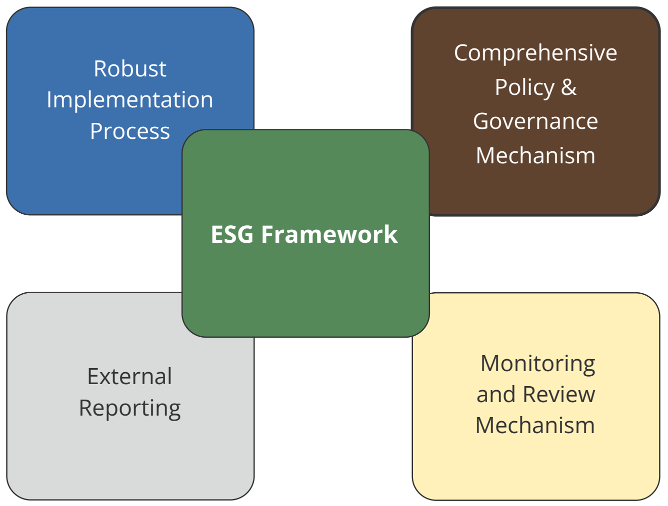
Accountability, transparency, and integrity are integral part of to HomeFirst's culture and serve as the cornerstone underlying all our actions. We observe highest standards of governance guidelines, ensuring fair, transparent, and prompt disclosures and information presentation. Our carefully constructed standards demonstrate our dedication to ethical business operations. Our governance framework supports sustainable growth, stakeholder trust, and operational excellence. Through a robust governance structure and a commitment to ethical practices, we aim to create long-term value for all stakeholders.

Sustainability Governance Structure

HomeFirst places a strong emphasis on sustainable operations, recognizing that sustainability and governance are essential for long-term success of business and stakeholder value creation. Our governance framework integrates ESG (Environmental, Social, and Governance) principles across all functions, overseen by a dedicated team. The company adopted an ESG policy in 2021, to have focussed approach to achieve its ESG mission of carrying out business in an ethical manner, maintaining transparent and fair relationships with all stakeholders and co-exist peacefully with nature by ensuring minimal environmental impact.

Key highlights of HomeFirst's ESG framework:

- Leadership Commitment: The Managing Director & CEO, supported by senior management, spearheads the company's ESG initiatives, ensuring their alignment with corporate objectives.
- ESG Execution Team: A specialized team led by the MD & CEO, manages and implements key ESG objectives, ensuring alignment with Board-approved ESG policy and the annual plan/ objectives agreed upon in the beginning of the year.
- Monitoring and Reporting: Monthly ESG dashboards track progress on sustainability initiatives. An annual ESG plan is approved by the CSR & ESG Committee, an update of the plan is presented to the committee twice a year and an annual review is conducted by the Board.
- Policy Evolution: The ESG Policy undergoes an annual review to incorporate regulatory changes, best practices, and trends, ensuring its relevance and effectiveness.



The Company understands the growing importance of ESG and has adopted a **Board approved ESG Policy**

An **ESG Execution Team** with management team participation has been created to ensure implementation of the ESG Policy

The company has published **Business Sustainability & Responsibility Report (BRSR)** as part of Integrated Annual Report for FY25.

12 areas have been identified for immediate focus. Parameters for measurement and metrics for various **ESG focus areas** are being developed

Ethics & Governance

Sustainability and ESG Policy: A Guiding Framework

Our ESG Policy serves as a cornerstone for ethical business practices and sustainable operations. It embodies our commitment to:

- Maintain the highest standards in Corporate Governance by laying out and following clearly articulated policies and procedures for all activities; implement ESG principles on wider scale while working closely with all stakeholders; engage fairly with all stakeholders with quick and transparent resolution of their concerns.
- Adopt a customer-centric approach to offer ease and transparency to home loan borrowers.
- Develop diverse and high-quality workforce while providing equal opportunity and protection from all kinds of discrimination to entire employee base.
- Ensure sustainable growth with earnings stability by employing prudent risk management strategies to minimize portfolio risks.
- Harmonizing with nature to minimizing environmental impact.
- Supporting the United Nations' Sustainable Development Goals (UN SDGs): Empowering migrant households through CSR initiatives, promoting equitable employment practices, facilitating sustainable human settlements by offering affordable housing loans.

Corporate Governance: The Cornerstone of Trust

A strong corporate governance framework forms the foundation of HomeFirst's ethical and operational standards. It is designed to foster trust, ensure fairness, and protect stakeholder interests through comprehensive policies and codes.

Key Policies and Codes include:

- Code of Conduct: This comprehensive code, hosted on our website, serves as a moral compass for HomeFirst's team and sets out the principles by which the company functions; it governs and guides us in all business-related contexts and underscores our commitment to ethical operations.
- Code of Conduct for Suppliers and Vendors: Ensures adherence to applicable laws, maintain confidentiality, and ethical operation while recognising responsibility towards environment and building workplace encouraging diversity, equity and inclusion.
- Vigil Mechanism and Whistle-Blower Policy: Enables employees and stakeholders to report unethical / illegal practices without fear of retaliation. The policy, accessible on our website in seven languages – English and six regional languages (Tamil, Telugu, Marathi, Hindi, Gujarati, and Kannada), fosters a culture of accountability.
- Anti-bribery and anti-corruption policy: Outlines measures to prevent and detect bribery, corruption, or fraudulent activities, ensuring compliance with legal standards. The policy also outlines procedures to be followed, if any fraud is discovered or there is any suspicion that it may exist. The policy is applicable to all employees and people acting on behalf of the company.
- Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Protects women employees against sexual harassment at workplace, provides for prevention and redressal of complaints of sexual harassment by laying down a clear mechanism for redressal and ensuring strict disciplinary action. The policy is available on the website with details on how to report in case of any such instance.

Ethics & Governance

- Code Of Practices and Procedures for Fair Disclosure Of Unpublished Price Sensitive Information: This code establishes regulatory frameworks to prevent insider trading and ensure the fair and transparent disclosure of sensitive financial information, thereby safeguarding market integrity.

- Fair Practice Code: Sets standards for customer interactions, aligning with the Reserve Bank of India's (RBI) guidelines to uphold trust and transparency.

- Know Your Customer (KYC) and Anti-Money Laundering Measures Policy: Helps evaluate and onboard customers responsibly, minimizing risks and ensuring compliance.

- Internal Guidelines on Corporate Governance: Establishes governance standards to guide officers and maintain ethical operations.

- Political Neutrality: HomeFirst refrains from political contributions or endorsements, ensuring independence in decision-making.

- Code of Conduct for Board of Directors and Senior Management Personnel: The objectives of this Code are to uphold the highest standards of disclosure, maintain discretion and fairness in business dealings, promote sound corporate governance principles, ensure the efficient use of company resources, and eliminate conflicts of interest.

- Independence of Risk Management: The Chief Risk Officer operates independently of business operations, ensuring objective and un-biased oversight of risk management practices.

Ethics & Governance

Codes and Policies to Support Sustainability & Governance

To strengthen its governance mechanism, HomeFirst has in place several 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
- Policy on Materiality of Related party transactions and dealing with related party transactions
- Policy to promote Diversity of BOD
- Anti-bribery and Anti-corruption policy
- Fair Advertising Policy
- Learning Policy
- Environment Management Policy
- Compliance Policy

Ethics & Governance

Board of Directors: Driving Leadership, Accountability and Robust Governance Framework

We have a distinguished and balanced Board comprising industry professionals with significant experience in the financial services industry to build strong corporate governance culture in the organisation. The primary role of the Board is to protect and enhance shareholders value through strategic supervision. As trustees, the Board ensures that the Company adheres to highest standards of governance while striving to achieve clear goals aligned to the shareholder value and sustainable growth.

Selection of Board of Directors

The Company requires that Non-Executive Directors be drawn from amongst eminent professionals, with skill, experience, and knowledge to ensure an overall balance in the Board. The Nomination & Remuneration Committee has laid down the criteria for determining qualifications, positive attributes, and independence of Directors.

In terms of the applicable regulatory requirements read with the Internal Guidance on Corporate Governance policy, the strength of the Board shall not be fewer than six nor more than fifteen. Directors are appointed/ re-appointed with the approval of the Shareholders for a period of three to five years or a shorter duration. All non-executive Directors, other than Independent Directors and MD & CEO, are liable to retire by rotation, unless otherwise approved by the Shareholders.

Composition of Board of Directors

We have a one-tier board system with a total Board strength of 8 members – 4 Independent Directors, 3 Nominee Directors, and 1 Executive Director (MD & CEO). The Board members are distinguished achievers in respective fields with rich experience across technology, operations, finance, law, and management. The balanced composition of Board enhances our ability to navigate the challenges and seize the opportunities presented by the underlying business and industry landscape. The following table sets forth the detailed composition of our Board as of Mar'25:

Name	DIN	Gender	Designation	Industry Experience	Financial Expertise	Consumer Behaviour	Legal and Compliance	Corporate Governance	Strategy & Decision Making	ALM & Risk Manage	IT & Cyber Security
Mr. Deepak Satwalekar	00009627	Male	Chairman & Independent Director	✔	✔	✔	✔	✔	✔	✔	✔
Ms. Geeta Dutta Goel	02277155	Female	Independent Director	✔	✔	✔	✔	✔	✔	✔	–
Mr. Anuj Srivastava	09369327	Male	Independent Director	–	–	✔	–	✔	✔	–	✔
Ms. Sucharita Mukherjee	02569078	Female	Independent Director	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Divya Sehgal	01775308	Male	Nominee Director	✔	✔	✔	–	✔	✔	✔	✔
Mr. Maninder Singh Juneja	02680016	Male	Nominee Director	✔	✔	✔	–	–	✔	✔	✔
Mr. Narendra Ostawal	06530414	Male	Nominee Director	✔	✔	–	–	✔	✔	✔	–
Mr. Manoj Viswanathan	01741612	Male	Managing Director and Chief Executive Officer	✔	✔	✔	✔	✔	✔	✔	✔

Ethics & Governance

Roles and Responsibilities

- The Board sets strategic goals, oversee governance processes, and ensures alignment with stakeholder interests.
- Independent Directors contribute expertise in industry, finance, technology, cyber security, regulatory and legal, audit, liquidity, risk management, consumer behaviour and marketing and operations, strategy, and decision-making.
- In addition to providing strategic insights and assuring adherence to the company's mission and values, the managing director and CEO oversee day to-day operations.

Board Diversity

Promoting diversity on the board of directors is part of our DNA. The company acknowledges the advantages of having a diverse board and believes that sustaining a competitive edge requires expanding board diversity. To maintain its competitive edge, the company thinks that a truly diverse board will capitalise on diversity in thought, viewpoint, expertise, skill, industry and regional experience, cultural and geographic background, age, ethnicity, and gender. Additionally, the company thinks that a diverse board will help to improve corporate governance, drive business results, assure sustainable development, improve quality and responsible decision-making, and boost the company's brand.

Homefirst has a young and diverse Board:

Age	Female	Male	Total
Under 30 years	0	0	0
30-50 years	1	1	2
> 50 years	1	5	6
Total	**2**	**6**	**8**

25%
Women Directors

50%
Independent Directors

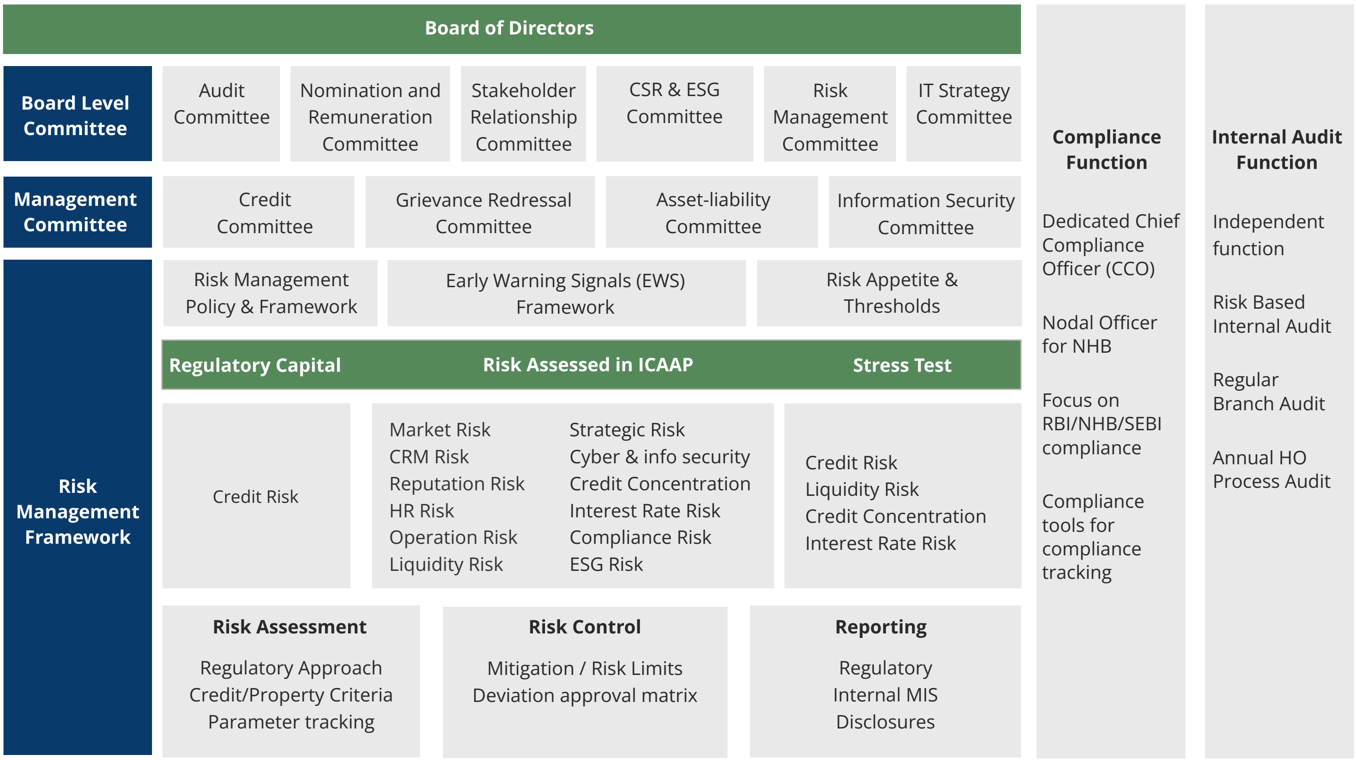
Ethics & Governance

Robust Governance Framework

HomeFirst upholds a robust governance framework reinforced by strong ethical practices, ensuring compliance with laws and regulations while promoting transparency, accountability, and fairness in decision-making. This commitment builds trust among stakeholders, including customers and investors, which is essential for the company's long-term success. By prioritizing transparency, accountability, and integrity, and embracing best practices that go beyond mere compliance, HomeFirst's governance processes are designed to sustainably address challenges and seize growth opportunities, ensuring stability and enduring success.

The Board of Directors oversees decision-making and maintains strong governance, while the management team supports the Board in executing its strategies. The Board, along with its committees, establishes policies and frameworks and monitors their implementation periodically. We are committed to transparency in our operations and ensure timely disclosures in compliance with Indian Accounting Standards (Ind AS), as well as the regulations set forth by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), National Housing Bank (NHB), National Stock Exchange of India Limited (NSE), and BSE Limited (BSE).

Corporate Governance and Risk Management Framework



Board of Directors

Board Level Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- CSR & ESG Committee
- Risk Management Committee
- IT Strategy Committee

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

Risk Management Framework
- Risk Management Policy & Framework
- Early Warning Signals (EWS) Framework
- Risk Appetite & Thresholds

Regulatory Capital	**Risk Assessed in ICAAP**		**Stress Test**
Credit Risk	Market Risk CRM Risk Reputation Risk HR Risk Operation Risk Liquidity Risk	Strategic Risk Cyber & info security Credit Concentration Interest Rate Risk Compliance Risk ESG Risk	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
- Compliance tools for compliance tracking

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

Ethics & Governance

Board of Independence

In accordance with Clause 18.3 of the Articles of Association and applicable regulations, HomeFirst is required to have at least one-third of its total directors as independent directors, equating to a minimum of three. Currently, our Board comprises 4 Independent Directors, representing 50% of the total Board strength. The Chairperson is a Non-Executive Independent Director.

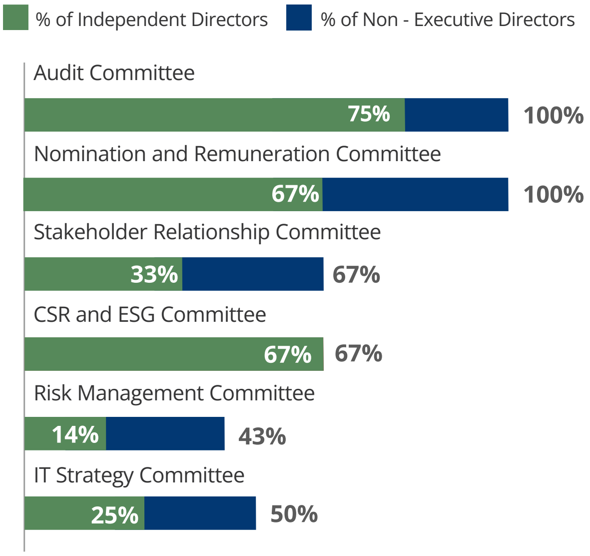
Declaration of Independence

The Company's Board includes four Independent Directors. They have submitted their Declarations of Independence in compliance with the provisions of Section 149 of the Companies Act and Regulation 25(8) of the SEBI LODR Regulations, 2015. These declarations confirm that they meet the criteria for independence and are not disqualified from serving as Independent Directors. The terms and conditions of appointment of Independent Directors are available at Terms and Condition for appointment of Independent Director.

Board Committees

To ensure timely and well-informed decision-making, the Board has established specialized Committees, each entrusted with specific responsibilities. Decisions made by these Committees are presented to the Board for discussion during subsequent meetings. The various Board Committees include:

- Audit Committee: Ensures financial integrity and risk oversight.
- Nomination and Remuneration Committee: Oversees board composition and executive compensation.
- Stakeholder's Relationship Committee: Addresses investor concerns.
- CSR and ESG Committee: Guides corporate social responsibility and sustainability efforts.
- Risk Management Committee: Reviews and mitigates operational and financial risks.
- IT Strategy Committee: Oversees technological advancements



In addition, there are Management Committees established to focus on specific purposes, such as:

- Asset Liability Management Committee (ALCO)
- Grievance Redressal Committee
- IT Steering Committee
- Identification Committee
- Credit Committee
- Committee of Directors and Review Committee
- Information Security
- Committee of Executives for Monitoring and Follow Up Cases of Fraud (COE)

Further information about the objectives, roles, and composition of the Board, along with details of meetings held during the year, can be found in the Report of the Directors on Corporate Governance on page no 217.

Ethics & Governance

Board Effectiveness and Evaluation of the Board, Committees, and Individual Directors

Given the importance of the Board and its responsibility to serve as trustee of all stakeholders, it is vital to have objective evaluation of the performance and evolve with the changing regulatory and industry dynamics to ensure the effectiveness and accountability. The Company has defined a manner of evaluation as per the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and formulated a method for the evaluation of the performance of the Board, Committees of Board and individual Directors. The said manner is based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

As per the set process, the Nomination and Remuneration Committee (NRC) leads the evaluation and objectively scrutinizes both the performance aiming to identify areas necessitating enhancement and it has established a manner for performance evaluation of directors based on parameters such as role and contribution by a director, experience and expertise, ability to constructively challenge the perspective of others, integrity and confidentiality, and independence of behaviour and judgement. The process is carried out annually pursuant to the framework laid down by the NRC. The Board evaluates each director's performance as well as that of the Committees viz. Audit Committee, Nomination & Remuneration Committee, CSR & ESG Committee, Stakeholders' Relationship Committee, IT Strategy Committee, and Risk Management Committee, as well as the performance of each Independent Director. During the year, the Company completed the Board Evaluation 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.

55Yr

Average age of the board

50%

Independent Directors on the Board

3.79Yr

Average tenure of Independent Directors

87%

Attendance in Board & Committee Meetings

Ethics & Governance

	Indicators/Measures
Board Meeting Attendance: Number of meetings attended in percentage in the previous year	Average attendance of Board meetings was 84%
Board Mandates: Number of other mandates of the non-executive and independent directors	There are 7 Non-Executive/ Independent Directors with 5 or less other mandates
Board Performance: Review Performance assessment of board of directors	The Board Evaluation process is conducted annually and is overseen by the Nomination and Remuneration Committee of the Board

Board Tenure

The average tenure of the Board Members is 6.24 years. Details are as below:

Name	Director wef	Tenure
Mr. Deepak Satwalekar	October 23, 2019	5.42 years
Ms. Geeta Dutta Goel	November 1, 2021	3.33 years
Mr. Anuj Srivastava	November 1, 2021	3.33 years
Ms. Sucharita Mukherjee	February 1, 2022	3.08 years
Mr. Divya Sehgal	June 10, 2017	7.75 years
Mr. Maninder Singh Juneja	May 26, 2017	7.83 years
Mr. Narendra Ostawal	October 15, 2020	4.42 years
Mr. Manoj Viswanathan	June 28, 2010	14.75 years

Further details regarding Board expertise and industry experience is detailed in the Report of the Directors on Corporate Governance on page no 217.

Management Ownership

There are no share ownership requirements in place. However, the management team, holds 4.1% of fully diluted equity base (including shares and ESOPs), as of 31st Mar'25.

Ethics & Governance

Business Ethics & Stakeholder Engagement

A strong dedication to corporate ethics, which promotes honesty in operations and among staff, is the cornerstone of a successful company. In addition to protecting workers and the larger society, this fosters trust among stakeholders. The evaluation criteria guarantee a strong adherence to ethical norms by evaluating the Codes of Conduct, their implementation, and the openness with which violations are reported.

The company's website contains a Code of Conduct for its staff members. It gives HomeFirst staff an ethical road map and establishes the standards by which the organisation operates.

As part of our Code of Conduct, HomeFirst adheres to a policy of **Political Non-Alignment.** HomeFirst refrains from making any monetary contributions or expenditures toward political campaigns, political organizations, lobbyists, lobbying organizations, trade associations, or other tax-exempt groups. The company does not endorse any political party or candidate for office. Our conduct prohibits any activities that could be perceived as fostering mutual dependence or favouritism with political entities. Furthermore, HomeFirst does not offer or allocate company funds or resources as donations to political parties, candidates, or campaigns.

While we do not maintain a publicly available program or management system for lobbying activities, HomeFirst holds ordinary membership with ASSOCHAM (The Associated Chambers of Commerce and Industry of India). This membership provides the company with access to industry trends, expert advice on economic policies and corporate laws, timely updates on national and international policies, and opportunities for professional engagement through seminars and workshops.

Freedom of Association

HomeFirst does not have a Freedom of Association policy, as there are no workers on its payroll. Nearly all employees at HomeFirst are part of the managerial cadre or higher, and all are compensated above the minimum remuneration specified by the Minimum Wages Act. Additionally, the company fosters an open-door culture, enabling employees to directly reach out to the CEO or any member of the management team to address any concerns.

We have an employee grievance redressal mechanism in place, allowing employees to raise complaints directly with the HR team. The HR team addresses these grievances by either visiting the location (in case of a conflict) or resolving the matter via phone communication. Additionally, we have a whistle-blower policy that offers a formal platform for employees to report grievances on various issues.

Employee engagement surveys are conducted to assess and monitor employee satisfaction. Additionally, we uphold an open-door policy and implement regular performance appraisals and feedback processes.

Ethics & Governance

Customer and Employee Grievance Redressal

For Customers: A structured, three-level grievance mechanism ensures timely resolution:

1. Branch Level: Customers can approach branch managers or contact customer service at 1800 3000 8425/8880549911 or write it to us at loanfirst@homefirstindia.com for resolution within 7 working days.
2. Escalation to Central Team: Aggrieved customer not satisfied with the reply provided by the Branch Manager or concerns unresolved at Level 1 the customer can escalate it to the Central Customer Service Team at the following email address query@homefirstindia.com. The complaints are addressed by the Central Customer Service Team within 15 working days.
3. Grievance Redressal Officer: If the aggrieved customer is not satisfied with the reply provided by the Central Customer Service Team or in case no reply is received within the stipulated period, the Customer shall escalate its complaint with the Grievance Redressal Officer. Final escalation to the Grievance Redressal Officer, resolved within 30 working days.

For Employees: An open-door culture allows employees to address concerns directly with senior management. A dedicated grievance mechanism and whistleblower policy ensure accountability.

Grievance Redressal Mechanism

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

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 and the policy are uploaded on our website for a wider audience.

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

Level-1

You can contact the nearest physical branch OR alternatively can call at 180030008425/8880549911 OR write to us at loanfirst@homefirstindia.com for any queries/ complaints. Our Branch Manager would reply within 7 working days from the date of receipt of the complaint with a copy to Regional Manager & Customer Service Department at Corporate office.

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

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:

Ethics & Governance

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 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 Insurance related complaints:

Step 1

Customer can raise their queries by writing to:

- Central Customer Service Team:
  Address: 511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, or
- Call on Toll Free Number: 180030008425, or
- Email at: loanfirst@homefirstindia.com

Customer can even approach the nearest branch of the Company. The letters/emails received by the branch to be sent to Central Customer Service Team – Head Office on an immediate basis. The customer will receive an acknowledgement within 2 days.

Step 2

If the resolution received by the customer does not meet the expectation or has not received any response within 7 days from the date of raising the query, the Customer can escalate the query with the Principal Officer/Central Customer Service Team at query@homefirstindia.com

Step 3

If the customer is still not satisfied with the resolution received, he/she can to write to our Grievance Redressal Officer, Mr. Gaurav Mohta at complaints @homefirstindia.com. The 14 days TAT will be considered from the date of receiving the complaint on complaints id.

Step 4

If customer is not satisfied with the reply provided by Grievance Redressal Officer too, then he/she can write to the concerned insurance companies' Grievance Redressal Officers (GRO). Click here for direct URL/link to access the GRO details.

Ethics & Governance

Step 5

In-case customer's complaint remains unresolved by the insurer/the Company at any point of time he/she can:

- Register the complaint online at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/ or
- Call at IRDAI Grievance Call Centre (BIMA BHAROSA SHIKAYAT NIVARAN KENDRA): Toll Free Number 155255 or 18004254732, or Email to complaints@irdai.gov.in, or
- Write to Insurance Regulatory and Development Authority of India, Consumer Affairs Department - Grievance Redressal Cell, Sy No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032.

Step 6

In rare cases, if the customer's complaint still remains unresolved, then he/she may take up the matter to the Insurance Ombudsman,

Online: https://cioins.co.in/Complaint/Online or

Offline: a) using email, b) via post or c) walk-in to Insurance Ombudsman Office. For details:
https://www.cioins.co.in/Ombudsman

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 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

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

SEBI Complaints Redressal System
https://scores.gov.in
https:/smartodr.in/login
KFin Technologies Limited (Share Transfer & Registrar Agent) (formerly known as Kfin Technologies Private Limited)
Selenium Building, Tower-B Plot 31 & 32,
Financial District,
Nanakramguda,
Serilingampally Rangareddy,
Hyderabad – 500 032
Telangana, India
Email: einward.ris@kfintech.com

HomeFirst is committed to enhancing governance practices by embedding ESG principles in strategic decisions, promoting technological innovation, and fostering a culture of accountability. As we navigate the dynamic housing finance landscape, our governance framework will continue to evolve, ensuring resilience and long-term success.

Fortifying Data Privacy & Security

In today's digital landscape, safeguarding access to networks, IT systems, and data is of paramount importance. Recognizing that disruptions can result in substantial financial losses and harm to our reputation, we have made robust cybersecurity governance a top priority. We have established an IT Strategy Committee to manage cybersecurity strategies and processes, and ensure compliance with regulatory guidelines to bolster our overall security posture. Composition of the Committee is as follows:

IT Strategy Committee	Mr. Anuj Srivastava (Chairperson)
	Mr. Maninder Singh Juneja (Member)
	Mr. Manoj Viswanathan (Member)
	Mr. Ajay Khetan (Member)

Data Security Measures

We deal with lot of sensitive information both about the Company and our large customer base. Thus, it is our high priority to safeguard our systems and data especially when data breaches and cyber threats have become increasingly prevalent. At HomeFirst, we have implemented a robust framework of data security measures to ensure the confidentiality, integrity, and availability of data. Some of the measures we have taken includes:

Roles Based Access Controls (RBAC): Our data security strategy is built upon Role-Based Access Control (RBAC). RBAC limits data access according to an employee's role and responsibilities, ensuring only authorized personnel can view or modify sensitive information. This minimizes the risk of unauthorized access and data leakage. To further mitigate the risks of unauthorized access, we regularly conduct user access reviews.

Encryption: We use Salesforce as our CRM platform. Industry-standard encryption algorithms are used to encrypt all sensitive customer data, both personal and financial, during transmission and storage. Our applications, servers, LMS, CRM, and database communicate securely using APIs encrypted with the latest security algorithms. API access is IP restricted to authorized users only, as a safeguard against DDoS attacks. Additionally, we have implemented a multi-factor authentication process. Salesforce adheres to the highest security standards and is ISO 27017/ 27018 certified.

Firewalls and Intrusion Detection Systems: To safeguard our system from unauthorized access and potential threats, we have implemented a robust security framework. Our firewall acts as the first line of defence, meticulously monitoring and controlling incoming and outgoing network traffic based on predefined security rules. This barrier effectively prevents unauthorized access and malicious activity from external networks.

Complementing the firewall, our Intrusion Detection System (IDS) actively monitors network traffic for any signs of suspicious activity or attacks. By promptly alerting security personnel about potential threats, the IDS enables a rapid response to mitigate risks and prevent security breaches.

Data Center Localizations: We maintain our data centers within India's borders to comply with regulatory requirements and ensure data sovereignty. This allows us to maintain control over our data and reduces the risk of cross-border data transfers.

Regular System Audits: We proactively 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. The IS Audit is conducted on an annual basis.

Fortifying Data Privacy & Security

Additionally, we conduct internal security assessments and VAPT on all company applications, ensuring they are secure and certified by the CERT-In empanelled service provider.

IT Policy : Our comprehensive IT policy outlines guidelines and procedures for data handling, access controls, and incident response. All employees are required to adhere to this policy to maintain a secure IT environment. The IT policy is regularly updated to align with NHB guidelines and other regulatory bodies.

Employee Training & Awareness: We provide training to our employees on IT policies, procedures, and cybersecurity. This training includes awareness of data protection, security, and privacy. We send regular emails to employees to alert them to current digital threats and phishing scams. We also conduct phishing simulation activities to see the effectiveness of the training. Disciplinary action may be taken against employees who fail to complete cybersecurity training or who violate IT policies.

We will continue to invest in advanced security technologies and best practices to ensure that our data remains secure in an ever-evolving threat landscape.

Data Privacy Measures

We prioritize the privacy of our customers and have implemented measures to prevent the misuse or inappropriate disclosure of their personal information. Some of the measures we have taken includes:

Data Privacy Policy: Our Data Privacy Policy is available on our website and is shared with all employees. It clearly outlines our commitment to protecting user information and details how we collect, use, and disclose data.

Consent Management: Our Consent Management framework ensures that we obtain and manage user consent in accordance with applicable regulations. We obtain explicit consent from our customers before collecting, using, or disclosing their personal information, and we inform them of the purposes for which their data will be used. Our HomeFirst Customer App empowers customers to carry out transactions such as accessing loan statements, raising queries, making payments and ensuring they can access their personal information in a secure and private environment.

Data Retention: HomeFirst retains customer data only as long as necessary to fulfill the purposes for which it was collected, and to satisfy legal requirements. This period is also subject to mandatory retention periods provided by applicable laws.

Third Party Vendors: We ensure that all our third-party vendors who handle customer data maintain the same data privacy standards as we do. This is achieved through legally binding contracts that mandate our vendors to implement stringent data security and privacy measures. Data sharing with third parties is strictly limited to a need-to-know basis and is governed by confidentiality obligations as outlined in comprehensive service agreements. Additionally, we meticulously evaluate and monitor these vendors to confirm their compliance with our rigorous data privacy and security standards.

Data Request Management

Currently, we share monthly loan and EMI payment information with TransUnion CIBIL, Equifax Credit Information Services Pvt. Ltd., CRIF High Mark Credit Information Services, and Experian Credit Information Company of India Ltd. This is done in compliance with The Credit Information Companies (Regulation) Act, 2005 and the respective RBI and NHB Directives which mandate that all credit institutions become members of a Credit Information Bureau. Additionally, details about security interests created on any asset or property are registered with CERSAI. Customer data is also disclosed for various compliance purposes, including statutory audits, internal audits and investor disclosures.

Fortifying Data Privacy & Security

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:

Adopt a customer-centric approach to offer ease and transparency to home loan borrowers.

- 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.

We did not have any data breaches during the previous financial year.

Business Continuity Plan & Disaster Recovery Plan

HomeFirst has a board-approved Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to mitigate risks and ensure operational resilience. The IT Strategy Committee and the Board oversee the implementation of these plans through periodic reports. To ensure the effectiveness of the BCP/DRP, we conduct annual tests by simulating hypothetical scenarios.

In our most recent BCP and DR exercise for custom applications, all critical systems functioned as expected. During the DR window, BCP server instances ran for 2 hours without downtime or impact during the switch-over and switch-back process. The system operated seamlessly, with all functionalities running and no abnormalities detected throughout the DR exercise.

Stakeholder Engagement & Materiality Assessment

Stakeholder Group	Mode of Engagement	Purpose & Scope of Engagement	Frequency
Customers	• Communication at branches and with front-end team (house/ work visits, others) • Tele banking - Customer Care • Digital Channels - Customer App, SMS, WhatsApp, Social media platform, chatbot, Video Call • Customer satisfaction survey, feedback and grievance mechanisms • Marketing campaigns	• Understand customer needs and provide suitable products. • Transparent communication through physical and digital channels - front-end team, Customer App etc. • Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have via multiple channels • Provide best-in-class customer service.	Ongoing
Employees	• Internal communications: Email, physical/virtual meetings, townhalls, webcasts, online surveys, newsletters • Quarterly & annual appraisals • Employee Engagement Initiatives • Training and development programs • Wellness and counselling sessions • Employee Welfare Schemes	• Focus on identifying and addressing training and development needs • Providing career progression • Continuous employee connect/ engagement through various modes • Leveraging technology to improve connect and productivity • Promoting diversity, equity,and an Inclusive environment within the organisation • Welfare schemes including wellness and counselling sessions.	Ongoing/ Periodic
Shareholders / Investors	• Annual General Meetings (AGMs), Quarterly Financial Results Announcements, Press Release	• To stay abreast of developments in the Company.	Ongoing/ Periodic

Stakeholder Engagement & Materiality Assessment

Stakeholder Group	Mode of Engagement	Purpose & Scope of Engagement	Frequency
	• Website, SMS/ email communications, social media, Newspaper publications, Notice Boards, Stock Exchange Intimations • Investor meets including virtual meetings/ calls, Management roadshows • Shareholder grievance mechanism	• Compliance, Governance and Ethical practices • Addressing key issues & concerns • Economic performance by continuously analysing market trends and adapting strategies accordingly; manage external risks and capitalise on opportunities effectively.	Ongoing/ Periodic
Regulators, Lenders and Credit Rating Agencies	• Mandatory filings with key regulators; periodic inspections/ assessments • 1x1 / group meetings, emails • Periodical disclosure of business/ operational parameters • Engagement during industry events/ conferences/ reviews • Website, Corporate Announcement, Stock Exchange filings etc.	• Discussions about various regulations and amendments, inspections, approvals etc. • Transparent and adequate disclosures through Website/ Stock Exchanges etc. • Strong Compliance and Code of Conduct Framework.	Ongoing/ Periodic/ Need Basis
Communities & NGOs	• Community Welfare Programs or CSR Programs • Joint assessment of projects • Project Assessment reviews	• Implementation of CSR Initiatives under Project Sashakt in areas like Skilling and Employment, Education and Development, Health Services, Financial Literacy • Status of the initiatives undertaken	Ongoing

Stakeholder Engagement & Materiality Assessment

Stakeholder Group	Mode of Engagement	Purpose & Scope of Engagement	Frequency
Research Analysts	• Quarterly Financial Results Announcements, Press Release • Website, social media, Newspaper publications, Notice Boards, Stock Exchange Intimations • Analyst meetings including virtual meetings/ calls	• Transparent and Detailed disclosures to keep abreast about Company's financial and operating performance as well as industry landscape (to the extent possible)	Ongoing/ Periodic
Channel Partners & Key Partners	• In person meetings • Email/ telephonic and other virtual mode of communications • Contracts, updates	• Partnership and business development • Ensuring timely pay-outs • Ethical code of conduct and transparent disclosure • Building trustworthy, moral, and enduring partnerships • Building sustainable business operations for long term	Ongoing/ Periodic

Materiality Assessment

Carrying out a materiality assessment plays a crucial role in identifying and prioritizing sustainability risks and opportunities. It enables the company to determine the most significant environmental, social, and governance (ESG) issues relevant to stakeholders on both operations and financial parameters. This process provides valuable insights for integrating these considerations into decision-making and thus driving value creation, building strong corporate governance and being agile. By conducting this assessment, we have successfully identified areas to improve sustainability performance, address potential and emerging risks, and create value for our stakeholders.

Materiality analysis is carried out annually and approved by senior management. Through this process, we identify critical and emerging risks pertinent to Home First's operations. Following this, we assess the implications of these risks on business activities, cash flow, legal or regulatory obligations, and the overall value creation for the company.

Stakeholder Engagement & Materiality Assessment

Sr. No.	Material Topic	Category	Capital Impacted	Why is this material
1	Corporate Governance	Governance	₹ 🌐 💡 👤 🍃	We believe strong corporate governance is fundamental to our success. Fostering a compliance-driven culture not only enhances risk mitigation but also strengthens business resilience and builds stakeholder trust.
2	Risk Management	Governance	₹ 🌐 💡 👤 🍃	Effective risk management protects our financial stability by identifying, evaluating, and addressing potential losses stemming from credit defaults, market volatility, liquidity constraints, interest rate fluctuations, and operational disruptions. Leveraging robust processes, comprehensive information, and advanced technology, we have established a multi-faceted risk management framework to effectively identify, analyse, monitor, and mitigate various risks, including credit, market, liquidity, interest rate, and operational risks.
3	Code of Conduct and Business Ethics	Social	₹ 🌐 💡 👤 🍃	The Code of Conduct and Business Ethics is essential for upholding ethical business practices, ensuring legal compliance, and fostering stakeholder trust. The HomeFirst Code of Conduct outlines the ethical standards and principles guiding the company's business practices and employee behavior. Serving as a moral compass, it provides clear directives for conduct in professional scenarios. The document is accessible on our website.
4	Sustainable Finance	Governance	₹ 🌐 💡 👤 🍃	Sustainable finance promotes equitable access to resources for underserved communities, addressing social inequalities and environmental challenges.
5	Employee Training & Development	Social	₹ 💡 👤	To maintain a competitive edge and drive business success, having a well-trained workforce is crucial. It enhances employees' skills and boosts productivity. To meet this objective, we have a comprehensive training program covering numerous training modules spanning the entirety of their career journeys.
6	Employment and Labour Practices	Social	₹ 👤	We consider our people to be the foundation of our success and are committed to cultivating a supportive work environment that fosters their growth and active participation. At HomeFirst, we are committed to fostering, safeguarding, and advancing human rights to ensure equitable and ethical practices in business and employment.

Stakeholder Engagement & Materiality Assessment

7	Data Protection & Privacy	Social	💡 👤	In the rapidly changing world of financial services, driven by ongoing digital transformation and the rise of virtual platforms, safeguarding the integrity of our customers' financial, and personal information remains our top priority. The company has board approved Information Technology Policy, Information Security Policy, Cyber Security Policy- these are available to internal stakeholders. These policy covers cybersecurity and risks related to data privacy. The Company also has Privacy Policy hosted on the website.
8	Health & Safety	Social	👤	Ensuring employee health and safety is a top priority for the company, integral to supporting their sustainable growth and development. We have a board-approved Employee Health & Safety Policy, which reflects our commitment to maintaining a safe and healthy work environment for all employees.
9	Customer Satisfaction	Social	₹ 🌐	At HomeFirst, Customer satisfaction is a top priority which is achieved through a customer-focused approach that emphasizes exceptional service, tailored experiences, and efficient solutions. We track Net Promoter Scores to gauge customer satisfaction, allowing us to continuously improve our products and services based on feedback.
10	Community Relations	Social	🌐	HomeFirst is dedicated to contributing to societal well-being through the implementation of diverse CSR initiatives, which embody and reflect the company's core values. Our flagship initiative, Project Sashakt, focuses on skill development, employment opportunities, children's education, school development and healthcare.
11	Operational Eco-efficiency	Environmental	₹ 🌐 💡 👤 🍃	In our pursuit of delivering prompt, accurate, and efficient service to customers, we are committed to digitising our processes, thereby enhancing operational eco-efficiency.
12	Climate Resilience	Environmental	₹ 🍃	To transition to a low-carbon economy, HomeFirst is committed to implementing eco-friendly and energy-efficient measures.

₹ Financial Capital

🌐 Social and Relationship Capital

💡 Intellectual Capital

👤 Human Capital

🍃 Natural Capital

Financial Capital Management

Sustainable value creation for all stakeholders is indispensable for HomeFirst to fulfil its mission of being the Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency. Our strategy and every incremental steps are directed towards accomplishment of the same mission. Our strong corporate governance framework has entailed financial stability and better resiliency to any external or industry driven event or trend.

We have been delivering high growth since our inception without compromising on quality of the growth. India presents enormous opportunities in the affordable housing space that must be dealt responsibly. Being a lender to low-income households, our strength of liability franchise is paramount to fulfil the growing customer aspirations at affordable terms and be efficient in our operations to generate the right returns. Our calibrated business expansion approach involves optimising growth and portfolio quality to maintain the leadership position in the industry.

A housing financing company, like ours, requires financial capital as underlying core input to support operations by enabling lending to consumers. Major components of financial capital are assets, borrowings, and equity and serves as the foundation for the operations of the business. Our resiliency in efficiently managing these inputs results in steady growth, exceptional profitability parameters, and customer satisfaction.

Key financial metrics over the years reflect our resilience and strategic progress:

Particulars	FY20	FY21	FY22	FY23	FY24	FY25
AUM (in ₹Crs)	3,618	4,141	5,308	7,198	9,698	12,713
NIM	5.1%	4.7%	5.4%	6.4%	5.8%	5.2%
ROA	2.7%	2.5%	3.6%[^]	3.9%	3.8%	3.5%
ROE	10.9%	8.7%	11.8%[#]	13.5%	15.5%	16.5%
Opex to Asset	3.5%	2.7%	2.7%	3.0%	2.9%	2.7%
GNPA	1.0%	1.8%	2.3%[^^]	1.6%[^^]	1.7%[^^]	1.7%[^^]
NNPA	0.8%	1.2%	1.8%[^^]	1.1%[^^]	1.2%[^^]	1.3%[^^]

^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'25 stands at 1.7% in line with RBI circular dated 12 Nov'21 (Mar'24/Mar'23/Mar'22: 1.7%/1.6%/2.3%) Prior to such classification, it stands at 1.4% (Mar'24/Mar'23/Mar'22: 1.1%/0.9%/1.3%). Our Net Stage 3 (NNPA) as at Mar'25 stands at 1.3% in line with RBI circular dated 12 Nov'21 (Mar'24/Mar'23/Mar'22: 1.2%/1.1%/1.8%). Prior to such classification, it stands at 1.1% (Mar'24/Mar'23/Mar'22: 0.8%/0.5%/0.9%)

Financial Capital Management

Successful Completion of QIP to further strengthen Capital Position

HomeFirst has successfully completed its maiden Qualified Institutional Placement ("QIP"), raising ₹1,250 Crs. The strong participation underscores the continued confidence of the investor community in HomeFirst's differentiated business model, robust governance, and long-term growth potential.

This capital infusion marks the first equity fund raise by the Company since its Initial Public Offering ("IPO") in FY21. The issue witnessed an overwhelming response by marquee foreign long-only funds, domestic mutual funds, and insurance companies – both new and existing – highlighting the continued confidence of shareholders in HomeFirst's ability to create long-term value. Some of the names in allottee list are:

Foreign Institutional Investors	Domestic Institutional Investors
International Finance Corporation	HDFC AMC
Capital World	Aditya Birla Sunlife AMC
Fidelity International	Invesco AMC
White Oak Capital	ICICI Prudential AMC
Goldman Sachs Asset Management	ValueQuest Investment
Eastspring Investments	Bajaj Allianz Life Insurance
	Kotak Life Insurance
	ICICI Prudential Life Insurance

The proceeds from the QIP will be used for augmenting the capital base of the Company – adjusting for the capital infusion (On proforma basis), the net worth increased to ₹3,751 Crs. With a strong capital base, HomeFirst remains well-positioned to expand its footprint, deepen customer engagement, and deliver sustained value to all stakeholders.

Driving Sustainable, Profitable Business Model Through Operational Excellence

The past year marked a significant milestone, with our Assets Under Management (AUM) exceeding ₹12,000 Crs. This achievement underscores our robust financial framework and dedication to operational excellence. Through strategic financial management, we continue to build a solid foundation for sustainable long-term profitable growth and customer-centric innovation. We redefined many possibilities as our profitability trajectory touched newer heights with industry leading profitability ratios. We recorded a total income of ₹1,539 Crs and Profit after Tax increased to ₹382 Crs for FY25.

In a lending business, profitability significantly depends on strong underwriting standards and prudent credit policies, which directly influence portfolio quality. At HomeFirst, we have a centralised data-science backed underwriting process that not only provides a comprehensive evaluation of formal and informal income sources of customers (& their family members) but also provides agility as per emerging trends across our geographical presence. Our well-trained and highly experienced front-end team spends considerable time with customers to assess their employment stability, savings capacity, and repayment histories for all borrowings.

Financial Capital Management

By systematically compiling and analysing extensive customer data within our robust database, we ensure informed and prudent decision-making regarding loan approvals.

This rigorous underwriting is complemented by an equally disciplined collections strategy, executed by our front-end teams, and reinforced by strong supervisory oversight and robust legal frameworks.

This integrated approach ensures consistency and effectiveness in managing asset quality. Consequently, our asset quality metrics remain stable and within a defined range, even as our operations continue to expand.

Another key aspect of profitability in a lending business is operating efficiency that drives cost-effectiveness. At HomeFirst, our business flows, processes and strategies are aligned to ensure HomeFirst is industry leader in terms of most operating levers, like productivity per employee (disbursement/average employee), AUM per branch and more. The benefits are reflected in key cost related KPIs:

(%)	FY20	FY21	FY22	FY23	FY24	FY25
Operating cost to total assets	3.5%	2.7%	2.7%	3.0%	2.9%	2.7%
Cost to income	45.8%	39.0%	34.0%	35.7%	35.3%	35.8%

These outcomes highlight our ability to optimize resource allocation, and achieve sustainable growth while maximizing shareholder value.

Diversified Funding Portfolio

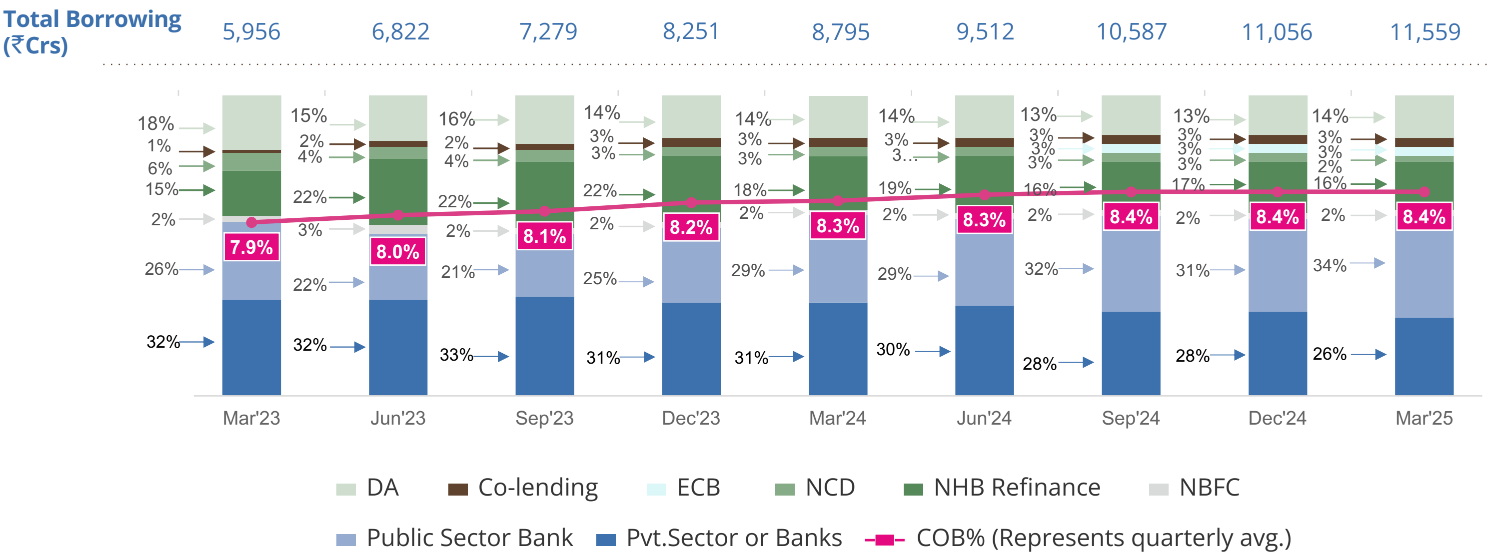
Our robust borrowing mix reflects the trust of lenders in our portfolio and processes. During the year, we secured ₹5,371 Crs from diversified sources, including a drawdown of $ 35 mn from Development Finance Corporation (DFC). This capital will enhance gender equity in India by providing affordable housing finance to women borrowers.

Concluding the year with 35 lending relationships, we expanded by adding 4 new partners including Development Finance Corporation (DFC), Canara Bank, Bandhan Bank and Aditya Birla Housing Finance Ltd.

Our borrowing strategy emphasizes a balanced mix of long-term funding, avoiding reliance on short-term instruments such as commercial papers. This prudent approach has enabled us to achieve a Cost of Borrowing (CoB) of 8.4%. The CoB is despite the volatility in the interest rate scenario and inflation. Thus, reflecting the strength of our liability franchise. RBI has already taken a 25-bps Repo rate cut in Feb'25 and another 25-bps Repo rate cut in Apr'25. This will help the CoB to ease going ahead in next fiscal.

Financial Capital Management

Borrowings Mix and Cost of Borrowing Trend



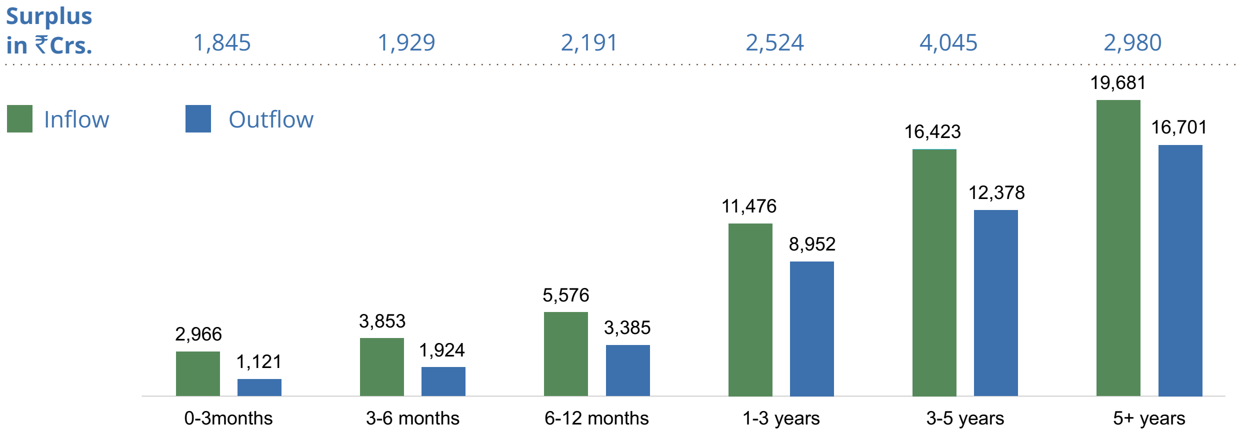
During the FY25, we expanded our co-lending network by onboarding Axis Bank. We now have co-lending partnerships with the Central Bank of India, Union Bank of India, and Axis bank. Over the fiscal year, we successfully disbursed loans amounting to ₹153 Crs with co-lending contributing to 2.9% of our AUM as on 31 Mar'25. Our strategy includes expanding our co-lending portfolio over the medium to long term.

Efficient Asset-Liability Management (ALM)

Efficient ALM is the cornerstone of our financial strategy, ensuring liquidity adequacy and safeguarding against market risks. Our ALM framework is designed to achieve long-term stability while meeting regulatory mandates.

ALM Objectives:

- Mitigate liquidity risks by aligning asset and liability maturities.
- Optimize the cost of funding while ensuring operational flexibility.
- Safeguard against interest rate risks through diversified borrowing instruments.



Financial Capital Management

Investments and liquidity management

Our total investments as of 31 Mar'25 amounted to ₹1,298 Crs, comprising:

- Treasury bills and government securities: ₹252 Crs
- Mutual funds: ₹108 Crs
- Bank balances: ₹938 Crs

Credit Excellence

We retained our strong credit ratings, reaffirming our financial health and fund-raising capabilities. Improved ratings remain a priority to secure lower-cost funding in the future.

Rating Agency	Instrument	Credit Ratings FY23	Credit Ratings FY24	Credit Ratings FY25
ICRA	Term Loans and NCD	AA- (stable)	AA- (stable)	AA (stable)*
	Commercial Paper	A1+	A1+	A1+
India Ratings & Research	Term Loans and NCD	AA- (stable)	AA- (positive)	AA- (positive)
	Commercial Paper	A1+	A1+	A1+
CARE Ratings	Long-term Bank Facilities	AA- (stable)	AA- (stable)	AA- (stable)

*credit rating upgraded to "AA (Stable)" from "AA- (Stable)" w.e.f. May 28, 2025

Integrating ESG and Technology

Our financial strategy integrates Environmental, Social, and Governance (ESG) principles by:

- Providing targeted financing solutions for underserved segments, especially women borrowers.
- Enhancing governance transparency for greater stakeholder trust.

We leverage advanced analytics and digital tools to monitor liquidity positions, optimize cost structures, and improve risk management. These innovations enhance real-time decision-making and operational efficiency.

Natural Capital

Commitment to Environmental Protection and Management

At HomeFirst, we are dedicated to minimizing our environmental footprint. We advocate for the stewardship of natural resources, support eco-friendly livelihoods, green enterprises, and local economic ecosystems, aligning with Sustainable Development practices to foster inclusivity within society. We have a Board-approved Environment Management Policy. We also train our employees on ESG and BRSR initiatives to make the employees aware of the 9 principles of sustainable development and the growing importance of having sustainable operations. Further, we try to spread environmental awareness through our quarterly investor presentations besides social media channels.

Since FY23, we have started reporting our greenhouse gas emissions. We meticulously tracked our electricity usage for the current fiscal period. Regarding Scope 1 emissions, we solely accounted for HVAC refrigerant gas refills due to the absence of diesel generator sets or company-owned vehicles. As for Scope 2 emissions, we analyzed energy consumption across all branches, as well as our head office and corporate offices for FY25. Additionally one of our branches have a DG Set electricity consumption - which is also considered as part of Scope 2 emissions. During FY25, our total Scope 1+Scope 2 emissions amounted to 798.15 $MTCO_2e$ compared to 638.54 $MTCO_2e$ in FY24. The increase is primarily on account of higher Scope 2 emissions on account of increase in number of physical branches. However, energy intensity dropped to 702.33 Kwh/₹ crores of turnover in FY25 compared to 764.49 KWh/₹ crores of turnover in previous fiscal.

GHG Quantification Methodology

The Company has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to accurately measure and monitor its carbon footprint. The assessment was conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol) guidelines, developed jointly by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). An "Operational Control Approach" was adopted to define the organizational boundary of the company, this approach provided a robust foundation for the comprehensive evaluation of Home First Finance's climate impact.

Activity & Emissions Data FY25

Scope	Emission Source	Activity Data	Unit	Emissions ($MTCO_2e$)
Scope 1	HVAC systems - Annual Refrigerant Leaks	11.03	Kilograms	16.47
Scope 2	Electricity generated from DG set	77.50	kWh	0.02
Scope 2	Electricity purchased from grid	10,74,457.69	kWh	781.13
Total				**797.62**

A-I. Sources of Emission Factors

Sources of Emission Factors

Scope	GHG Activity Data	Source
Scope 1	HVAC systems - Annual Refrigerant Leaks	https://www.ipcc.ch/report/ar6/wg1/download /report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
Scope 2	Electricity generated from DG set	IPCC - Stationery Combustion https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_ Ch2_Stationary_Combustion.pdf
Scope 2	Electricity purchased from grid	Central Electricity Authority (CEA) - CO_2 Baseline Database for the Indian Power Sector, version 20 https://cea.nic.in/wp-content/uploads/2021/03/User_Guide_Version_20.0.pdf

Natural Capital

Carbon Emissions:

The Company partnering with CERE, has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and hydrofluorocarbons (HFCs, HCFCs). Below is our energy consumption and emissions data.

Parameter	FY25 (Current Financial Year)		FY24 (Previous Financial Year)	
	kWh	TJ	kWh	TJ
Total electricity consumption (A)	1074535.19 kWh	3.87 Terajoules	869565.19 kWh	3.13 Terajoules
Total fuel consumption (B)*	-	-	-	-
Energy consumption through other sources (C)	-	-	-	-
Total energy consumption (A+B+C)	**1074535.19 kWh**	**3.87 Terajoules**	**869565.19 kWh**	**3.13 Terajoules**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00007 KWh/₹ turnover	0.0000000003 Terajoules/₹ turnover	0.00008 KWh/₹ turnover	0.0000000003 Terajoules/₹ turnover
Energy intensity (optional) the relevant metric may be selected by the entity	657.61 kWh/ employee	0.002 TJ/employee	696.21 kWh/ employee	0.003 TJ/ employee

**The company does not own any vehicles or diesel generator sets, and there is no stationary combustion taking place; therefore, there is no fuel consumption.*

Parameter	Units	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Total Scope 1 emissions (Breakup of the GHG into Co_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	16.47	15.99
Total Scope 2 emissions (Breakup of the GHG into Co_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	781.15	622.55
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of Co_2 equivalent	0.00000005	0.00000006
Total Scope 1 and Scope 2 emissions intensity *(optional)* - the relevant metric may be selected by the entity	Metric tonnes of Co_2 equivalent/ employee	0.49	0.51

The conversion factor considered for electricity emissions is 0.727 as per Central Electricity Authority (CEA) - CO_2 Baseline Databasefor the Indian Power Sector, version 20 (EF incl RES)
The emission calculation factor used for calculating emissions from electricity consumption via DG sets: https://www.ipccnggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

Natural Capital

Green Homes

Balaji stands outside his home and says with a proud smile, "I am happy that I am one of the first few who understood the benefits"(of a Green Home). He was among the first homeowners to adopt HomeFirst's Green Homes initiative, making a choice that has not only reduced his household expenses but also lessened his impact on the planet.

Balaji's words echo a much larger truth: sustainable housing is no longer a luxury—it is a necessity. Climate change is not a distant concern; it is a present reality. Rising global temperatures, extreme weather patterns, and depleting natural resources demand that we rethink the way we live, build, and consume. Housing plays a critical role in this shift. The building sector accounts for approximately 37% of global energy-related carbon emissions, with 28% coming from operational emissions and 9% from materials and construction. In India, the residential sector makes up around 25% of total final energy consumption, making it the second-highest after the industrial sector. The homes we build today will decide the kind of future we live in tomorrow.

At HomeFirst, we are steadily integrating sustainability into our housing approach. Green Homes are designed to be energy-efficient, water-conscious, and cost-effective. They help homeowners lower their carbon footprint while reducing their monthly expenses. Our focus is on making green housing accessible and practical, not an aspirational concept anymore.

Balaji's story is just one among many. A growing number of homeowners are choosing sustainability, not only for the planet but for the tangible benefits it brings to their daily lives. As we move forward, we remain committed to scaling this impact, ensuring that more families can experience the financial and environmental advantages of a greener home.

What Makes a Home Green Home?

Use of Eco friendly building materials during construction to reduce carbon emission

Use of energy efficient lighting, cooling systems and other appliances

Adoption of sustainable lifestyle. Mindful of water wastage and usage of cheap plastics

Provision of natural light, ventilation and protection from heat

Integrating renewable energy for daily consumption like solar panels for water heaters

Recycling of water, rain water harvesting units and effective waste management

HomeFirst's Year in Green

Our partnership with the International Finance Corporation (IFC) has been a cornerstone in advancing HomeFirst's Green Homes initiative. Through their support in innovation, capacity building, and knowledge exchange, alongside a ₹280 crore credit line secured in FY23, we have been able to scale our impact significantly. This progress can be seen in the past year's milestones, reflecting our journey towards making sustainable housing both viable and widespread.

Over the last year, we have expanded our Green Homes initiative substantially. As of Mar'25, 120 self-built homes have been certified as Green Homes.

Natural Capital

Environmental Impact of Certified Homes

109.12
MWhe/yr
Energy Saved

3508.89
cu.m/yr
GHG reduced

3508.89
cu.m/yr
Water Saved

As more families embrace sustainability, they experience tangible benefits—lower energy costs, improved efficiency, and a reduced carbon footprint. However, significant challenges remain. Many homeowners hesitate to adopt new building methods, clinging to traditional practices. Additionally, a lack of awareness among both customers and ground-level contractors slows the adoption of green solutions. Addressing these barriers is critical to ensuring the continued growth of sustainable housing.

Green Box

To address these issues and to provide our customers with a seamless green homes experience, we created Green Box. This comprehensive initiative offers customised solutions tailored to meet all the needs of our customers looking to build green homes. Our aim is to ensure that our customers can move forward without the stress of dealing with multiple suppliers or complicated processes. Beyond just products and services, under Green Space, we have developed a series of training programs and internal communication activities to ensure that every team member is fully equipped to deliver the Green Box experience. From monthly newsletters and infotainment comics to milestone celebrations, like rolling out mementoes to our branches on the occasion of achieving 100 certifications, our ongoing initiatives help us stay updated with the latest in green building practices. Together, these efforts nurture a strong culture of sustainability across the organisation.

A Day in a Green Home

A Green Home feels like any other—just smarter. Fly ash bricks make construction efficient and cost-effective without compromising on strength. Five-star appliances run efficiently, and water Aerators maintain flow while using less. A dual-flush system reduces waste. Outside, a white-coated terrace and window shades keep the house naturally cool. Smart design choices add up, making sustainable living simple and effective. Everything works quietly in the background, making sustainability effortless.

Human Capital Management

At HomeFirst, we take pride in our unique business model which keeps us ahead of our peers. We believe granular sourcing model, centralized underwriting, collections through front-end sales team and technology are key pillars of the unique business model. All of these are woven together by our people who execute the business strategy across different levels of the organization. Our people strategy is a key pillar to our execution strength, allowing us to have high productivity and deliver optimized operating cost. Our philosophy on human capital is to promote a culture of empowerment and values while giving individuals right opportunities for continuous learning and development that fit well with the mission of the organization. We inculcate sense of ownership within each team member to bring in alignment in individual and organisational goals. Our unique talent acquisition strategy, coupled with employee engagement initiatives, upskilling and development programs and our commitment to being an equal opportunity employer brings out the best in each employee. These initiatives have helped us maintain a high level of employee satisfaction which is reflected in our high employee vintage and lower attrition.

HomeFirst is dedicated to cultivating a thriving, innovative, and inclusive culture. This commitment promotes collaboration and teamwork, enabling the company to adapt and succeed in dynamic markets. Additionally, fostering inclusivity drives higher levels of employee engagement, satisfaction, and retention, resulting in a more efficient and productive workforce. Ultimately, this culture contributes to the organization's sustained success by attracting exceptional talent and strengthening its reputation both within the company and externally.

HomeFirst's culture is distinguished by the vigour and dynamism of its young workforce. Embodying a robust entrepreneurial spirit and a customer-centric focus, these dedicated employees are pivotal to the organization's mission of establishing itself as one of the nation's most esteemed and reliable affordable housing finance institutions.

Human Rights

Culture

Health & Safety

Diversity & Inclusion

Recruitment Strategy

Learning & Development

Talent Retention & Recognition

Employee Well being & Benefits

Employee Engagement Programs

As of Mar'25, our workforce consisted of 1,634 employees, with women representing 28.27% of the total. We have a very young and diverse employee demographic, with a median age of 25.5 years.

Age	Total no. of employees	%	Female employees	%	Male employees	%
Under 30 years	1,344	82.25%	392	84.85%	952	81.23%
30-50 years	287	17.56%	70	15.15%	217	18.52%
More than 50 years	3	0.18%	0	0.00%	3	0.26%
Total	**1,634**	**100%**	**462**	**100%**	**1,172**	**100%**

Human Capital Management

Recruitment or Talent Acquisition Strategy:

Human capital management starts from hiring the right talent who are not only strong on requisite technical knowledge and experience, but also right fit into the organisational DNA of inclusive growth, ownership, customer-centricity, and transparency.

Campus Recruitment:

We hire freshers with strong technical background, keen interest to learn, and high motivation to grow. Majority of our hiring needs (interns and full-time) are fulfilled through a comprehensive campus recruitment program, which sees active involvement from our management team. This channel accounts for 85% of our hiring (primarily freshers), while only 15% is from lateral recruitment. Our aim is to become a preferred campus partner by transparently showcasing our value proposition, maintaining a swift and innovative recruitment process, and ensuring a mutually beneficial match between candidates and the organization. Colleges are carefully selected based on factors such as student profiles, the historical performance of graduates (in terms of longevity and contributions), and their proximity to our locations.

We have a well-defined internship program with the recruitment process mirroring that of final placements, being equally thorough and structured. The projects our interns undertake during their summer internship are directly linked to the day-to-day work such intern is expected to perform upon joining our Company as a full-time employee. This process ensures that our interns are aware of their job responsibilities while providing us the opportunity to assess the interns on their performance and suitability as an employee over a longer period. Based on their performance, we select interns to be offered full-time employment.

Lateral Recruitment:

To fill specific vacancies, we also hire laterally. We value home-grown talent and foster internal growth through opportunities like job postings, role enhancements, and career advancements. Additionally, select open positions are published on our website to widen our outreach.

Talent Infusion - New Employees Hired (Age and Gender-wise) during FY25

Gender	Under 30 years	30 - 50 years	Above 50 years	Total
Female	212	7	0	**219**
Male	569	38	0	**607**
Total	**781**	**45**	**0**	**826**

New Hire Rate (Age and Gender-wise) during FY25

Gender	Under 30 years	30 - 50 years	Above 50 years	Total
Female	54.08%	10.00%	0.00%	**47.40%**
Male	59.77%	17.51%	0.00%	**51.79%**
Total	**58.11%**	**15.68%**	**0.00%**	**50.55%**

Note: The new hire rate is calculated as a percentage of closing employee count as of Mar'25

Human Capital Management

Human Capital Development

Given our unique business model, it is of utmost importance that recruits are trained well to align them with our processes and systems. Also, we believe in empowering our people and supporting them in achieving their full potential. To meet this objective, we have a comprehensive training program covering numerous training modules spanning the entirety of their career journeys. Additionally, we have established a variety of learning initiatives and expanded sponsorship programs to enhance their skills. We believe these efforts will, in turn, reinforce our leadership pipeline and drive organizational growth.

At on-boarding stage

Induction

- Objective of the Initiative & Brief Process: The two-day induction program held in Mumbai is designed to provide new employees with a clear understanding of their roles, responsibilities, and expectations, while equipping them with the necessary tools to excel in their positions.
- Unique features of the initiative:
  - The initiative ensures a consistent onboarding experience for all employees, regardless of their joining location, eliminating dependence on local teams for this process.
  - It fosters camaraderie among team members across the country and encourages the exchange of best practices within the organization.
  - A standout feature of the program is the "CEO Connect," where the CEO engages with new joiners face-to-face during every induction session, instilling a sense of belonging and alignment with organizational values.
- Impact of the initiative: The centralized induction program offers numerous advantages, such as standardization, access to expertise, resource efficiency, cohort building, performance evaluation, and scalability. This makes it a strategic investment for organizations prioritizing effective employee engagement. Overall, it significantly enhances employee performance, engagement, retention, productivity, and strengthens the organization's employer brand.

T-20 Program

- Objective of the Initiative & Brief Process: A meticulously crafted 20-day training program for newly hired front-end team including Relationship Managers (RMs) and Customer Service Managers (CSMs) serves as a foundational preparation for their roles. This program is thoughtfully structured to ensure uniformity and excellence in onboarding, setting new team members up for success.
- Unique features of the initiative:

  The training journey is structured into daily learning modules and tasks that encompass fundamental aspects of HFCs, home loans, and an overview of sales and salesstrategies, credit evaluation, collections, and related processes. This program familiarizes newly hired RMs/CSMs with the loan application process, documentation requirements, verification protocols, credit underwriting basics, and risk profiling. Furthermore, it incorporates practical business scenarios to enhance trainees' understanding of these concepts effectively.
- Impact of the initiative: The program introduces the beneficiary to the world of HFCs offering a comprehensive understanding of the industry from HomeFirst's lens. Given the structured daily learning format built with interactive activities, case studies, and quizzes, the program facilitates deeper conceptual grasp and practical application in real-world contexts. Consequently, participants develop confidence in engaging with customers, assessing creditworthiness, and managing loan portfolios with proficiency.

Homefirst EVO

- Objective of the Initiative & Brief Process: All new joiners undergo the EVO program, designed to

Human Capital Management

encourage them to unlearn and relearn key concepts applicable to their daily responsibilities at HomeFirst.

- Unique features of the initiative:
    - The initiative combines online learning modules with monthly assessments to evaluate the practical application of knowledge.
    - Participants are required to complete six tests, with feedback provided after each assessment to help them identify learning gaps and focus on improvement.

- Impact of the initiative: Comprehensive knowledge of finance-related concepts is essential for employees in the lending business, enabling them to better address customer needs understand business operations, which accelerates their productivity. Additionally, given the large number of freshers joining, the program supports their understanding of overall business concepts, builds their confidence, and fosters an enjoyable learning experience.

6 months into the Company

So Far So Good

- Objective of the Initiative & Brief Process: After completing six months with the organization, employees are invited to Mumbai for a two-day workshop with the Management. Each participant is allotted 15-20 minutes to present their performance over the past 6-9 months and propose 1-2 ideas to enhance their work. They also receive training from individual function heads at the Head Office, allowing for valuable interaction and resolution of any queries.

- Unique features of the initiative:
    - Employees, completing six months, gets unique opportunity to share their experiences with the Management.
    - Participants also provide suggestions for improved efficiency and effectiveness. Proposals that align with value creation or process enhancement receive immediate approval from the Management.
    - As a young organization, this initiative fosters a sense of connection and encourages open communication regarding concerns.
    - Employees benefit from direct interaction with seniors and gain practical insights from function leaders, many of whom have branch-level experience, sharing actionable tips and success strategies.

- Impact of the initiative: Each two-day workshop typically yields at least two implementable ideas, instilling pride in employees as their contributions and inputs are recognized. This recognition motivates subsequent groups to work harder on presenting impactful ideas, contributing to a culture of continuous improvement and innovation within the organization.

Continuous Learning Environment

- Objective of the Initiative & Brief Process: The initiative aims to establish a learning organization that excels in enabling individuals to quickly learn, unlearn, and adapt to an ever-changing environment. A distinctive, comprehensive learning journey is designed and implemented for every role, meticulously integrating elements of knowledge, skills, and attitudes to ensure the holistic development of each individual. This journey is delivered through a blend of internal trainers,external experts, online resources, assessments, and practical application, ensuring a well-rounded and impactful learning experience.

- Unique features of the initiative:
    - Functional Leaders as In-House Trainers: A select group of functional leaders doubles as in-house trainers, delivering training programs across the organization alongside their primary roles. With their expertise in central functions, these leaders provide practical insights and solutions, ensuring that the training is grounded in real-world scenarios rather than theoretical concepts.
    - Learning Integrated with Career Progression: Completion of each learning journey is directly tied to employees' career milestones. For instance, successful completion of the RM/CSM (entry-level) program serves as a certification to operate in

Human Capital Management

their role. Similarly, completion of the Branch Manager program leads to confirmation in the role, transitioning employees from Branch Manager Designate to fully-fledged Branch Managers in their respective branches.

  - HomeFirst Leap: A distinctive career advancement program sponsored by the company, HomeFirst Leap is tailored for employees without an MBA. In collaboration with IIM Calcutta, the organization offers a one-year program that equips participants with relevant knowledge and skills, enabling them to compete on par with MBA-qualified employees. This initiative fosters greater ownership, commitment, and career growth for participants.

- Impact of the initiative: The integration of learning and career progression creates a transparent culture that values continuous learning and recognizes consistent performance. This approach has established an industry-leading benchmark, with fresh campus graduates progressing to Branch Manager roles within 3-4 years—significantly ahead of the industry average of 6-8 years. It highlights the initiative's success in accelerating professional growth and driving organizational excellence.

Aspire Program

- Objective of the Initiative & Brief Process: We have established a program designed to prepare our frontline sales employees for leadership roles as Branch Managers. This comprehensive initiative includes technical training, functional training, and behavioral development, along with the opportunity to independently manage a branch.

- Unique features of the initiative:

  - The program is designed to promote internal growth and create a ripple effect by developing leaders from the ground up.
  - Branch Managers are entrusted with Profit and Loss (P&L) responsibility for the entire branch, overseeing key functions such as sales, credit, service, and collections. This provides them with the opportunity to lead teams and assume critical leadership responsibilities.

- Impact of the initiative: This initiative has significantly contributed to achieving one of the highest productivity rates in the industry, driven by the continuous learning opportunities offered to employees. Notably, the career progression from Relationship Manager to Branch Manager is achieved in just four years, making it the fastest in the industry. This highlights the program's effectiveness in fostering growth and accelerating leadership development.

- Additional training initiatives undertaken during the year:

  - Technical Upskilling for Data Scientists and MIS Teams: Multiple training sessions were organized in collaboration with AWS, covering topics such as Technical Essentials, ML Ops Engineering, and Developing on AWS, among others.
  - Postgraduate Sponsorships: Employees were sponsored for postgraduate degrees in their respective domains to empower them and enhance their expertise.
  - Tie-Up with IIM Calcutta for Executive General Management Program: Aimed at equipping employees with essential tools and techniques to navigate real-world business challenges, this one-year MBA program has enrolled 57 employees.
  - Diverse Professional Development Programs: Leadership and managerial effectiveness were addressed through initiatives like 7 Habits of Highly Effective People and the Cluster Manager Training & Review Meet.
  - Sector-specific trainings included RBI's Cybersecurity Program for NBFC Officers and the Data Smart Program for Business Managers.

Compliance-Based Training Initiatives:

- Gamified training modules on the Code of Conduct and Cybersecurity were introduced to promote holistic development.
- ESG and BRSR training sessions educated employees on the nine principles of sustainable development and highlighted the importance of maintaining sustainable operations.

Human Capital Management

Trainings conducted during the year ended Mar'25

Type of Training	Male Participants	Number of Training Hours	Female Participants	Number of Training Hours	Total Participants	Number of Training Hours
Work related training (Induction, EVO, SFSG)	735	8,666	354	3,924	1,089	12,590
Employee growth/ development related training	137	4,762	35	2,023	172	6,785
Ethical standards (such as Code of Conduct, etc.)	2,656	1,328	1,017	509	3,673	1,837
ESG & Climate Change specific trainings	1,330	665	507	254	1,837	919
IT security/ Data Privacy/ Cyber Security	1,326	663	499	250	1,825	912
Prevention of Sexual Harassment	1,334	667	506	253	1,840	920

In the current financial year, a total of 23,963 manhours of training were recorded, compared to 13,495 manhours in the previous fiscal year. Given our workforce's youthful and diverse composition, with a median age of 25.5 years and only three employees aged 50 or above, there is presently no requirement for transition assistance programs to support employability continuity or manage career transitions related to retirement or employment termination.

	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	7,212	462	15.61
Male	16,751	1,172	14.29
Total	**23,963**	**1,634**	**14.66**

	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	22,150	1,514	14.63
L3 and above	1,813	120	15.11

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

Human Capital Management

Talent Retention & Recognition

Followed by right recruitment and focussed learning and development programs is the third, and equally important, pillar of human capital management – retaining the good talent. At HomeFirst, we build a culture of inclusive growth and inculcating feeling of ownership within each individual that aligns the individual goals with the organisational goal. Our approach is to encourage active engagement, have transparent policies on assessment and compensation, motivate through rewards and recognitions etc. Our policies prioritize employee well-being by fostering a secure and supportive workplace. Quarterly performance appraisals ensure regular feedback, while our open-door culture encourages employees to share their thoughts and concerns freely.

We organize a variety of competitions throughout the year to boost employee morale and maintain their active engagement in the business. Additionally, we host the NAOL TV series, where the management addresses employee queries, providing clarity and guidance. This platform also serves to communicate the company's vision and plans for the upcoming year.

Employee tenure, or vintage, is an important indicator of stability and loyalty within the organization. Notably, approximately 12% of employees have been with HomeFirst for over five years, reflecting their long-term commitment to the company.

Attrition

Gender	FY25	FY24
Female	113	73
Male	328	287
Total	**441**	**360**

Attrition Rate

Gender	FY25	FY24
Female	27.63%	24.46%
Male	31.77%	34.89%
Total	**30.59%**	**32.11%**

Attrition (Age and Gender-wise)

Gender	Under 30 years	30 – 50 years	> 50 years	Total
Female	102	11	0	113
Male	268	60	0	328
Total	**370**	**71**	**0**	**441**

Attrition Rate (Age and Gender-wise)

Gender	Under 30 years	30 – 50 years	> 50 years	Total
Female	29.44%	17.60%	0.00%	27.63%
Male	32.23%	30.30%	0.00%	31.77%
Total	**31.41%**	**27.26%**	**0.00%**	**30.59%**

Attrition (Vintage and Gender-wise)

Gender	<1 years	1 - 3 years	> 3 years	Total
Female	50	39	24	113
Male	138	133	57	328
Total	**188**	**172**	**81**	**441**

Attrition Rate (Vintage and Gender-wise)

Gender	<1 years	1 - 3 years	> 3 years	Total
Female	28.41%	26.80%	27.43%	27.63%
Male	31.83%	33.04%	29.01%	31.77%
Total	**30.84%**	**31.39%**	**28.52%**	**30.59%**

Human Capital Management

Attrition (Level and Gender-wise)

Level	Male	Female	Total
L0 - L2	311	109	420
L3 - L4	14	4	18
L5 - L6	2	0	2
Management	1*	0	1

Attrition Rate (Level and Gender-wise)

Level	Male	Female	Total
L0 - L2	32.72%	28.80%	31.60%
L3 - L4	21.05%	14.55%	19.15%
L5 - L6	23.53%	0.00%	21.05%
Management	14.29%*	0.00%	11.11%

*Note: * Mr. Abhijeet Jamkhindikar who served as the Business Head - Maharashtra passed away on 2nd January 2025, after a brief illness. We thank him for his valuable contribution to the Company and deeply mourn his sad demise*

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

Performance Appraisal Program

Our policies, designed with employee well-being in mind, establish a secure and supportive work place environment. Performance appraisals occur quarterly, and our open-door culture encourages ongoing feedback from employees. All our eligible employees undergo regular performance appraisal.

Target Setting and Incentive Processes:

Collaborative Target Setting: Targets are centrally established in consultation with teams, with managers providing local insights to support their inputs. Incentive achievement percentages are shared well in advance, enabling employees to review and provide any feedback on individual cases.

Timely Incentive Disbursement: Incentives are consistently distributed on a quarterly basis (e.g., April-June incentives are paid with the August salary). This regularity allows employees to plan their financial commitments with confidence.

Goal-Setting Approach

Bottom-Up Contribution: Teams actively participate in the goal-setting process, presenting targets with relevant data on ground realities and complexities. This fosters a sense of ownership and encourages discretionary effort.

Transparency and Open Dialogue: The goal-setting exercise is fully transparent, with data openly shared and discussed across the organization. Achievements against targets are published to the individual teams and we take a confirmation on the understanding of both results and the process of arriving at the achievement.

Scorecard-Based Measurement: A comprehensive scorecard ensures that all critical organizational parameters are adequately represented. Individual weightages help employees focus on areas of greatest importance while understanding the interconnections between parameters.

No Forced Rankings: The model evaluates performance logically, avoiding forced rankings or subjective judgments. By measuring both qualitative lead indicators and quantitative lag parameters, it aligns individual performance with organizational success transparently and fairly.

Impact of the Initiative

We have successfully maintained timely and efficient information dissemination despite operating with limited central resources. Our resource ratio—those directly impacting business delivery versus support—ranks among the best in financial services companies of our size.

To reward performance throughout the year, we provide performance-linked variable pay, competitive salary increments, and promotional opportunities. These measures are particularly valuable in navigating the challenges of a volatile job market.

Human Capital Management

Employee Engagement Program

At HomeFirst, we wholeheartedly embrace the philosophy of transparent communication with our employees through various modes including internal communications like newsletters, emails, townhalls, physical meetings and more. There are multiple forums and platforms where senior management directly interacts with employees and encourage sharing of ideas, thoughts and suggestions.

Senior management regularly interact with our employees to share company updates, strategy, oulook and vision as well as address their queries through "NAOL TV." Through this we aim to foster closer interactions between management and employees.

Rewards & Recognition

The company acknowledges and rewards employees for their dedication and engagement through a variety of incentives and recognition programs. These incentives are awarded quarterly, based on individual achievements. Furthermore, contests are held to encourage healthy competition and highlight the accomplishments of high-performing individuals and teams.

The highlight of the year is the annual Employee Meet, a two-day event celebrating exceptional contributions. This gathering feature an awards night, where employees are recognized and honoured for their outstanding performance, creativity, and collective growth.

Diversity, Equity, and Inclusion

We are deeply committed to seamlessly embedding diversity, equity, and inclusion into our people strategy. Our focus is on hiring the right individuals for the right roles and providing them with comprehensive training to deliver exceptional performance. We foster a diverse work environment and uphold the principles of being an equal-opportunity employer.

Our dedication to advancing equality and conducting business aligned with the values of social justice, respect, and freedom of expression is enshrined in our Equal Opportunity Policy. This policy underscores our commitment to hiring and promoting individuals based solely on their skills and capabilities. We ensure that appointments, training, development, and promotions are merit-based.

Furthermore, we adhere to the principle of Equal Pay for Equal Work, avoiding any discrimination based on gender or other factors. Our Diversity & Inclusion Policy reflects these values, reinforcing our pledge to treat all employees and applicants fairly and equitably.

Through our policy we are committed to:

Promoting Gender Equality: HomeFirst is dedicated to eliminating gender barriers in career opportunities and advancement. We ensure fair representation of all gender identities across recruitment processes and uphold a strong commitment to not have a gender disparity.

Reflecting the Diversity of Our Customers: As our customer demographics grow increasingly diverse, we strive to build a workforce that mirrors this diversity. This alignment enables us to better anticipate customer needs and foster a strong community connection through local talent sourcing.

Ensuring Equal Employment Opportunities and Pay: We are committed to providing equal remuneration for women and men performing work of equal value, factoring in role requirements, performance, qualifications, experience, and market dynamics. To maintain pay equity, we conduct annual reviews of our remuneration practices.

Workforce Composition: Currently, women constitute 28.3% of our total workforce, underscoring our ongoing efforts to promote inclusivity and diversity.

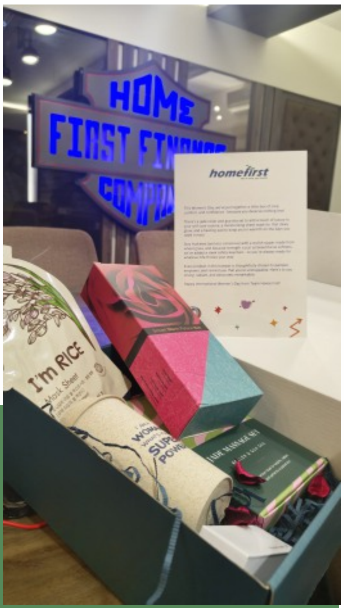
Human Capital Management

Employee Engagement Programs

HomeFirst believes in "Work Hard, Party Harder." As part of our commitment to being one of the best Great Places to Work, we strive to keep employee morale high through various initiatives throughout the year.

Diwali Dhamaka/ Celebrations

Gift Hampers for all employees and special gifts on lucky-draw were given.



Women's Day

A dedicated wellbeing session on mindfulness is organized for all women at HomeFirst, accompanied by a token of goodies, ensuring they feel valued and appreciated.

Christmas Celebrations

HomeFirst Christmas Lunch was organised to celebrate the occasion of Christmas.

Human Capital Management

Employee Meet 2024

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Women in our workforce as at Mar'25	FY25	FY24
Percentage of women in total workforce	28.27%	28.50%
Percentage of women in Head Office	49.50%	51.38%
Percentage of women in Management	22.22%	22.22%
Percentage of women in Board of Directors	25.00%	25.00%

Function-wise cuts of women employees as at Mar’25

Level	FY25	FY24
Corporate (Management Team)	22.22%	22.22%
Finance	38.10%	47.37%
Human Resource	70.59%	83.33%
Credit	46.15%	43.33%
Administration, legal/secretarial/audit/others	62.71%	64.41%
Marketing	52.17%	50.00%
IT and Digital Business	43.66%	44.68%
Branch	24.52%	24.03%

Level-wise cuts of women employees as at Mar’25

Level	FY25	FY24
L0-L2	28.40%	28.58%
L3-L4	29.29%	29.21%
L5-L6	8.33%	14.29%
Management	22.22%	22.22%

As our operations are exclusively based in India, our entire workforce comprises Indian nationals. However, we represent a diverse range of geographies and ethnicities from across the country. Please refer to our geographic presence on page no 10 for a detailed map showcasing our branch presence across India

Promoting Equal Opportunity:

Our Equal Opportunity Policy reflects the organization’s unwavering commitment to fostering equality and conducting business in alignment with the principles of social justice, respect, and freedom of expression.

Hiring Practices:

We strictly adhere to merit-based hiring practices, ensuring no discrimination on the grounds of age, race, gender, religion, marital status, or disability.

Gender pay parity:

The company believes in compensating employees who have similar job functions with comparably equal pay, regardless of their gender, race, ethnicity, or other status. To achieve this, we maintain a pay system that is transparent, unbiased, and based on objective criteria.

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Ratio of basic salary and remuneration of women to men

	Mar'25	Mar'24
Management	1.07	1.10
Non-Management		
Branch – Sales	1.07	1.09
Branch – Service	1.00	1.12
Head Office L0-L2	0.84	0.87
Head Office L3-L4	0.95	0.68
Head Office L5-L6	0.63	0.68

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

Promoting Human Rights & Non-discrimination

At HomeFirst, respecting human rights is a core value, and we are dedicated to supporting, protecting, and promoting these rights to ensure ethical and fair business and employment practices. We are committed to providing workplaces that are free from violence, harassment, and unsafe conditions. Our policies are designed to protect the privacy and dignity of every individual within our workforce. We uphold a zero-tolerance approach toward slavery, forced labour, child labour, human trafficking, or any form of abuse. Notably, during FY25, HomeFirst did not receive any complaints related to workplace discrimination, child labour, forced labour, wages, or other human rights concerns.

HomeFirst maintains a zero-tolerance policy towards any instance of sexual harassment in the workplace. We have established a clear and accessible channel for reporting such incidents and have implemented a robust Prevention of Sexual Harassment (POSH) policy. To foster a safe and supportive environment for women, the Internal Committee is chaired by women management team member, ensuring that complaints can be raised with confidence and comfort.

Cases of Sexual Harassment at Workplace	No. of complaints in FY25
Cases of Sexual harassment	1

Cases of Discrimination at Workplace	No. of complaints in FY25
Discrimination Complaint	0

Freedom of Association

HomeFirst upholds the right of employees to seek grievance redressal through lawful means and has established effective mechanisms to support this. Additionally, we have formed employee groups that bring together individuals from diverse backgrounds, affinities, and skill sets. These groups foster community participation, collaboration, networking, and cultural enrichment within the organization.

Human Capital Management

Employee Survey

We conduct engagement surveys internally to gauge employee satisfaction.

Internal Engagement Surveys: We conduct engagement surveys within the organization to measure employee satisfaction and identify areas for improvement.

Cracking the Code: Understanding Early Employee Discontent: To maintain a positive workplace atmosphere and ensure employee happiness, we focus on identifying early signs of dissatisfaction. Rather than relying solely on surveys, we delve deeper into understanding the root causes of discontent to proactively reduce attrition at an early stage. By actively listening and responding to concerns, we aim to foster an environment where every employee feels valued and heard.

Recruitment Survey: These surveys are administered as soon as an offer is extended to a candidate. They are designed to gather feedback on the recruitment process, from the clarity of job descriptions to the efficiency of communication channels. This approach provides vital insights into the candidate experience and helps us refine our processes accordingly.

	Participated	No. of happy employees	%
Recruitment Survey- Statistics	1,007	958	95%

On-Boarding Survey: Administered on the employee's joining day, this survey evaluates the onboarding process, focusing on the clarity of instructions and the level of support provided.

	Participated	No. of happy employees	%
Onboarding Survey - Statistics	756	699	92%

30 - Day Survey: Conducted 30 days after joining, this survey assesses the employee's comfort with job responsibilities, satisfaction with training programs, and integration into team culture.

	Participated	No. of happy employees	%
30-day survey Survey - Statistics	832	703	84%

90 - Day Survey: Distributed 90 days post-joining, this survey focuses on the employee's satisfaction with role clarity, team dynamics, and alignment with organizational objectives.

	Participated	No. of happy employees	%
90-day survey Survey - Statistics	908	798	88%

Employee Mental Well-being & benefits

The "HomeFirst Health" initiative offers employees an exceptional opportunity to learn from leading experts in the wellness industry. It empowers individuals to take charge of their well-being through various initiatives that promote downtime, flexibility,and active participation in wellness activities. HomeFirst has partnered with 1to1help, giving employees access to counselling services through the Employee Assistance Program (EAP) or for general guidance. This ensures a strong support system for employees facing challenging situations at work. Webinars focusing on topics such as stress management and work-life

Human Capital Management

balance are also conducted specifically for the field force. This comprehensive approach underscores our commitment to creating a supportive and wellness-focused workplace culture.

Health & Safety

We have a board-approved Employee Health & Safety Policy, which reflects our commitment to maintaining a safe and healthy work environment for all employees. As part of this initiative, we conducted training sessions focused on health and safety practices to further enhance workplace well-being.

Employee Benefits

HomeFirst is dedicated to supporting its employees by providing industry-leading benefits, including health insurance, group accident insurance, and maternity/paternity benefits.

To recognize and reward loyalty, we introduced the Loyalty Edge Program, celebrating employees who have completed five years or more with us. Members of the Elite 5vy Club enjoy exclusive perks, such as additional leave days, domestic travel packages, and increased insurance coverage. Milestones like six to ten years of service are marked with special curated hampers, ensuring long-serving employees feel appreciated and valued.

Our comprehensive compensation includes salaries, allowances, and performance-linked bonuses. Employees also benefit from our Employee Stock Option (ESOP) scheme, which covers 16.22% of the workforce as of Mar’25. In the event of an employee's passing, their ESOPs vest immediately with their nominee.

Furthermore, 23 employees have availed the option to invest in National Pension Scheme.

Category	% of employees covered by				
	Total (A)	**ESOPs**		**NPS**	
		Number (B)	% (B / A)	Number (C)	% (C / A)
Male	1,172	194	16.55%	15	1.28%
Female	462	71	15.37%	8	1.73%
Total	**1,634**	**265**	**16.22%**	**23**	**1.41%**

Data for the year ended Mar'25

Category	% of employees covered by								
	Total (A)	**Health Insurance**		**Accident Insurance**		**Maternity benefits**		**Paternity benefits**	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)
Male	1,172	1,172	100%	1,172	100%	NA	NA	1,172	100%
Female	462	462	100%	462	100%	462	100%	NA	NA
Total	**1,634**	**1,634**	**100%**	**1,634**	**100%**	**462**	**100%**	**1,172**	**100%**

Data for the year ended Mar'25

Human Capital Management

Parental Support Policy

Maternity Leave: Female employees are entitled to up to 26 weeks of paid maternity leave for their first two children. For subsequent children, they are eligible for up to 12 weeks of paid maternity leave.

Paternity Leave: Male employees can avail of up to seven working days of paid leave within two months of the birth of their child.

Adoption Leave: Both male and female employees serving as the primary caregivers for an adopted child below the age of one year are eligible for up to six weeks of paid leave.

Gender	Return to work rate	Retention rate
Male	100%	84.62%
Female	100%	50.00%
Total	100%	69.57%

Employees who availed parental leave in FY24, returned to work and are still on the Company rolls as on Mar'25

Gender	No. of employees who resumed work in FY24 post parental leave	Still employed 12 months after their return to work
Male	13	11
Female	10	5

Gender	Parental leave availed in FY25	No. of employees who resumed work in FY25
Male	16	16
Female	12	11
Total	28	27

Employee CSR

Our dedication to corporate social responsibility is reflected in our Employee-Driven CSR initiative. Employees who have completed three or more years with us are encouraged to nominate a cause they deeply care about for a donation, fostering both team cohesion and meaningful community impact. At HomeFirst, we are committed to creating a workplace where loyalty is honoured, and employees are empowered to excel both personally and professionally.

Responsible Product Offering

Core Philosophy

HomeFirst is committed to delivering responsible products, rooted in the principles of transparency, accountability, and client-centricity. These principles allow our approach to integrate regulatory standards with industry best practices. Our objective is to exceed customer expectations while advancing financial inclusion and equitable access to homeownership.

Transparency

Transparency is fundamental to our operations. We provide comprehensive information about our diverse range of products. Additionally, we provide customers with easy access to the Schedule of Charges, the Most Important Terms and Conditions and Key Fact Statements ("KFS"). These are prominently displayed in branches, on the website, and in loan agreements, as applicable.

Detailed product features, interest rates, fees, and eligibility criteria are made readily accessible on our website www.homefirstindia.com Our customers can also find a list of frequently asked questions (FAQs) https://homefirstindia.com/faqs to help them make informed decisions.

HomeFirst adheres to a well-defined and transparent process, with particular emphasis on the following areas:

- During onboarding, the Relationship Manager (RM) provides a comprehensive explanation of loan details, including parameters, repayment terms, associated charges, etc.

- Following loan approval, the Customer Service Manager (CSM) reiterates the key terms to ensure the customer has a clear understanding.

- The loan agreement covers all details and conditions. Additionally, the Key Fact Statement and the MITC document highlights essential parameters. Customers are thoroughly briefed on the contents of these documents before signing the loan agreement.

- To further enhance clarity, vernacular versions of the MITC are available, enabling customers to understand the loan terms in their native language.

- Post-disbursal, customers gain access to the HomeFirst Customer Portal, where all loan details are transparently displayed for easy reference.

- Regular audits are conducted to uphold ethical standards and ensure fair practices.

- Customers are actively informed of product features, promotional offers, and additional benefits, ensuring consent-driven communication.

- Fair Advertising: Adhering to a board-approved Fair Advertising Policy, we maintain ethical advertising practices to build trust. *(Policy Create link)*

Governance and Oversight

The purpose is doing what's right for the customer, with strong insights from our board and leadership to ensure our products stay responsible and relevant.

Board and Policy Oversight

Guided by a board-approved Fair Practice Code, our policies emphasize clarity, timeliness, and responsiveness in interactions with customers – spanning marketing, processing, sanctioning, and complaint resolution across all our offices. It is aligned with the Reserve Bank of India (RBI)'s guidelines, reflecting the best corporate practices in the industry, and underscores our commitment to responsible and customer-centric lending. The code is reviewed annually to ensure effectiveness and alignment with our core values.

To reinforce this commitment, we conduct regular training programs, meetings, and circulate updates to ensure all employees are well-versed in the code.

A robust grievance redressal mechanism ensures customer concerns are promptly resolved, fostering trust and accountability. Please refer to details on page no 61 of Integrated Annual Report FY25.

Responsible Product Offering

Risk and Compliance:

In line with RBI guidelines, Housing Finance Companies (HFCs) categorized as Middle Layer entities are required to conduct an internal assessment of their capital needs, commensurate with the risks inherent in their operations.

To ensure transparency and accountability, we openly disclose the risks and corresponding mitigation measures.

Accordingly, HomeFirst has developed an Internal Capital Adequacy Assessment Process (ICAAP) Policy to evaluate risks comprehensively. This policy aligns with RBI requirements and incorporates both quantitative and qualitative risk parameters.

A Risk Management Committee, supported by regular evaluations of risks and mitigations, ensures capital adequacy and operational soundness.

Our comprehensive risk management framework, detailed in our Integrated Annual Report FY25, thoroughly addresses the risks faced by the company and the mitigation strategies in place. A detailed discussion on these risks and mitigants can be found on page no 184 of the report, while the metrics we use to track risks are outlined on page no 35.

Quality Evaluation and Continuous Improvement

We focus on continuous improvement and strict quality checks to ensure our products meet customer needs while upholding the highest standards of responsible lending.

A board-approved Credit Policy guides the development and monitoring of our loan products, ensuring they align with market needs while adhering to responsible lending practices. Our Credit Committee conducts regular evaluations of product quality, customer profiles, and portfolio performance. Continuous training for credit officers enhances their ability to assess and manage risks effectively while maintaining fairness and efficiency.

Quality evaluation is closely tied to our Risk Management Framework, ensuring comprehensive oversight of risk exposure. Regular reviews by the Risk Management Committee ensure alignment with corporate goals and compliance standards.

Client-centricity focused approach

Customer centricity is crucial for our business because it fosters stronger customer relationships, leading to increased loyalty, higher retention rates, and ultimately, driving business growth and long-term success.

Customer Satisfaction: Tracking Net Promoter Scores (NPS) enables us to continuously refine our offerings based on customer feedback. Refer to our Integrated Annual Report FY25, page no 30.

Customer Feedback Loop: Customer complaints are our opportunities for improvement; with each grievance thoroughly investigated followed by corrective actions taken promptly. Proactive communication ensures the customer is informed and satisfied with the product and the service.

Technology-Driven Enhancements: Leveraging digital tools and analytics, we continuously refine our offerings based on customer behaviour and preferences. Monitoring Key Performance Indicators (KPIs), such as loan approval timelines and default rates, allows us to identify bottlenecks and streamline processes.

Responsible Product Offering

Making a Social Impact through our operations

Our product offerings emphasize financial inclusion and empowerment:

- Loans for Women Borrowers: Women co-borrowers constitute ~89% of our portfolio, with 13% as primary applicants and 78% where atleast one women co-borrower.
- Support for Underserved Groups: Simplified loan products and processes cater to EWS and LIG segments, addressing affordability barriers.
- Through Project Sashakt, our CSR efforts support migrant families in select areas with initiatives that uplift livelihoods, education, health, and financial awareness—enabling a better quality of life and future readiness. For details, please refer to page no 102 of Integrated Annual Report FY25.

Promoting Financial Inclusion

A Commitment to diverse borrower set

At HomeFirst, we are dedicated to advancing financial inclusion by ensuring that everyone, particularly underserved communities, have access to affordable housing finance solutions. Approximately 61% of our Assets Under Management (AUM) come from customers in the Economically Weaker Section (EWS) and Low-Income Groups (LIG), with an average loan size of ₹11.7 lakhs. Beyond traditional housing finance services, we actively empower marginalized communities and foster economic inclusion.

Empowering Underserved Groups

We recognise the challenges faced by low- and middle-income groups in accessing financial services. Our initiatives are designed to bridge these gaps. Our front-end teams are well experienced and trained to understand the needs of this customer base and counsel them during the entire loan journey.

- Simplified Loan Processes: Streamlined application and approval processes tailored to the unique circumstances of first-time homebuyers.

- Customized Products: Flexible loan offerings to suit diverse needs, including home construction, renovation, and property purchase.

- Sustainable Solutions: Lending practices aligned with long-term financial stability and growth for customers.

Providing Non-Financial Support

Beyond lending financial products, our CSR efforts aim to make meaningful, well-rounded change that improves quality of life across multiple dimensions. As elaborated in the next section (Social and Relationship Capital Management section on page no 102), we focus on skilling for employment, healthcare, children's education, and financial literacy for all. These focus areas are thoughtfully chosen to address both immediate needs and long-term development, creating a foundation for inclusive and equitable growth.

Investing in Training

Our idea of financial inclusion is embedded across all our employees' training and development activities. Our relationship managers and customer service managers are the face of the organisation and must reflect our values of inclusion, empathy and understanding in their actions. We provide ongoing training on key parameters such as cultural sensitivity, diversity awareness, communication, and principles of responsible lending.

The Company has structured training programs like 'Induction', 'T-20', and 'EVO' to integrate cultural sensitivity, skills training, and mentorship. Advanced Lending Workshops help experienced staff refine practices and transition into leadership roles via programs like 'So Far So Good' and 'Aspire'. For further details on training programs, please refer to the Human Capital Management section on page no 81 of Integrated Annual Report FY25.

We want our teams to be aligned with the communities we work with, and for that, we uphold our inclusionary practises to the highest standards for an organisation such as ours.

Empowering Women Borrowers

Being a part of the property and the home loan account is unfortunately a relatively new occurrence in the overall housing market. Our model makes it beneficial for our customer families to incorporate the women of the household. This gives her a say in the product choices and financial decisions of their homes. We realise that having women in the legal and financial documents ensures and exercises her right to ownership, security and long-term financial inclusion. This not only strengthens her position in the household but also contributes to a more equitable future for the entire family.

Promoting Financial Inclusion

In FY25, 78% of our loans had women as the co-applicant, with 13% cases where they were the primary applicant.

We continue to strengthen outreach and product design for women-led households.

Social Impact and Government Collaboration

Our approach integrates financial inclusion with socio-economic development:

- Partnering with government schemes such as PMAY (Pradhan Mantri Awas Yojana) to offer subsidized housing loans. Throughout the duration of PMAY-2015 programme, a total of 38,507 customers were assisted with the subsidy benefit from NHB, amounting to cumulative credit of Rs. 966 Cr to their account. This has helped reduce more than one-fourth of Loan Amount for those customers. To further our commitment to the vision of "Housing for All," we are proud to share our partnership with MoHUA and NHB to spearhead the ISS vertical of the PMAY initiative as we remain steadfast in our dedication to making this initiative a resounding success.

- Connecting families to government benefits through CSR initiatives, unlocking opportunities for better financial stability.

Sustainability in Financial Inclusion

To ensure long-term impact, we integrate environmental sustainability into our inclusion strategies:

- Digital Processes from start to finish to reduce Carbon Footprint: HomeFirst has a deeply ingrained Ideology of all processes being paperless across the product cycle to ensure operational eco-efficiency & climate resilience.

- Sustainable Finance to promote women welfare: The company has raised long-term finance from global development institution like US DFC to support affordable housing mortgage loans to women low-income borrowers. During the year, the company drew $35 million under the facility.

- Sustainable Finance to promote climate efficient green housing: The company has raised long-term finance from global development institution like IFC to promote climate efficient green housing. The company is proud to announce the certification of our first ever green housing batch, making it a landmark event in the future of Green Affordable Housing in India! The company drives faster and hassle-free implementation through “Green Box” Initiative wherein our partners execute on behalf of the borrower. By Mar’25, over 590 customers have opted for Green Homes, with 120 certifications completed.

Our journey toward financial inclusion is driven by the belief that access to affordable housing is a fundamental right. Through continuous innovation, strategic partnerships, and unwavering commitment, we strive to empower communities and contribute to a more inclusive and equitable society.

Social & Relationship Capital

At HomeFirst, our commitment to uplifting underserved communities remains steadfast. Our CSR initiatives are focused on empowering migrant workers, especially those in the construction and housing sectors — the true backbone of our economy and our business. These workers often face tough working conditions, financial instability, and limited access to essential services, making their everyday lives full of persistent hardships.

To help address these hardships, we launched Project Sashakt in 2022 — a flagship initiative designed to drive real, lasting change. Through a thoughtful mix of skilling, education, healthcare, and financial literacy, Project Sashakt helps individuals and families lay the foundation for a better, more secure future. By teaming up with strategic partners and creating targeted interventions, we equip people with industry-relevant skills, improve access to quality education, provide essential healthcare services, and spread awareness about financial security.

This year, we have strengthened our efforts in Narol and Naroda while expanding our reach to Lambha, focusing on upskilling, youth training, and community development. So far, we've positively impacted over 5,000 families — and we're just getting started. With a growing emphasis on STEM education, vocational training, and livelihood generation, we're building a better tomorrow.

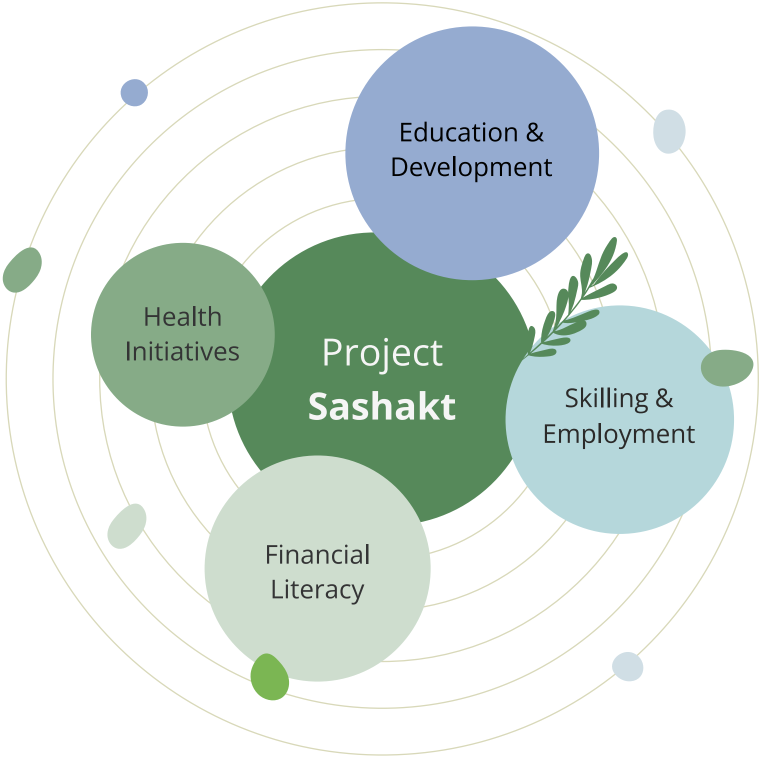
With a strong presence across 13 states and UTs, our primary focus remains Gujarat and Maharashtra, where we continue to scale our impact. More than support, it's about making sure the communities we serve are truly Sashakt.

Project Sashakt – Socioeconomic Development of Migrant Communities

At HomeFirst, we believe in creating a focused, meaningful impact through our CSR efforts. Our approach is simple: go deep, not wide, so that we can drive real, lasting change. With our strong presence in Gujarat, we've focused our efforts in Ahmedabad — particularly in Narol, Naroda, and Lambha — where a large number of migrant families reside.

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



Social & Relationship Capital

Narol

In 2022, we launched Project Sashakt in Narol, an industrial hub in Ahmedabad bustling with thousands of migrant families. Life here isn't easy — many residents face tough working conditions, limited healthcare, and financial instability. Understanding these challenges, we set up skilling and training centres close to home, making them especially accessible for women who often face mobility constraints.

Since then, our work in education, skilling, healthcare, and financial literacy has helped thousands of families improve their livelihoods.

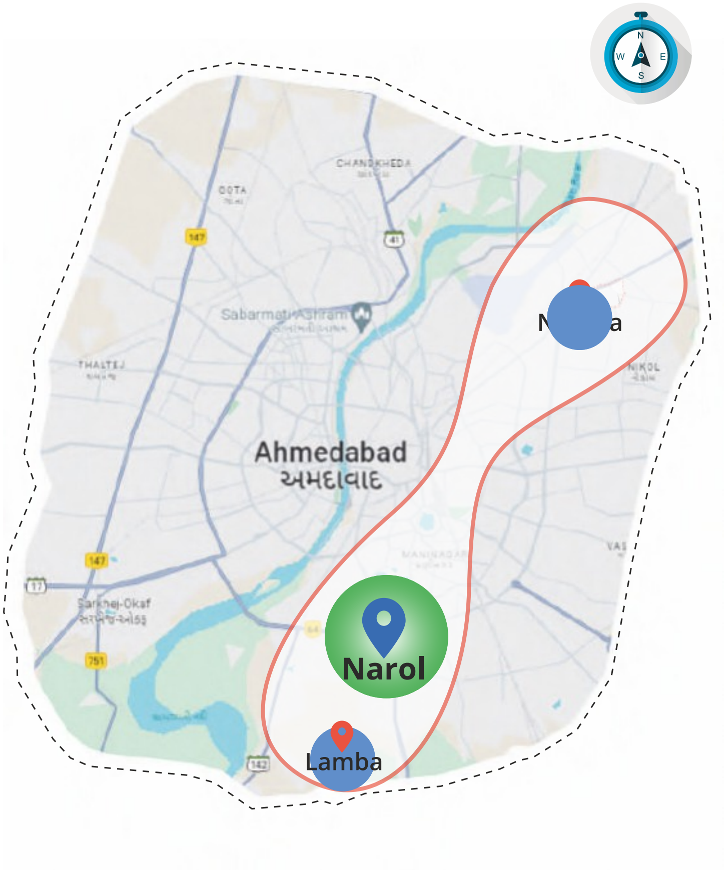
Naroda

Much like Narol, Naroda has grown into a busy industrial area, drawing a large migrant workforce. But with that growth comes overcrowding, difficult living conditions, and a lack of essential services. Building on our success in Narol, we brought Project Sashakt to Naroda. By following our proven approach, we're making sure more families have the tools and knowledge they need to build a brighter, more stable future.

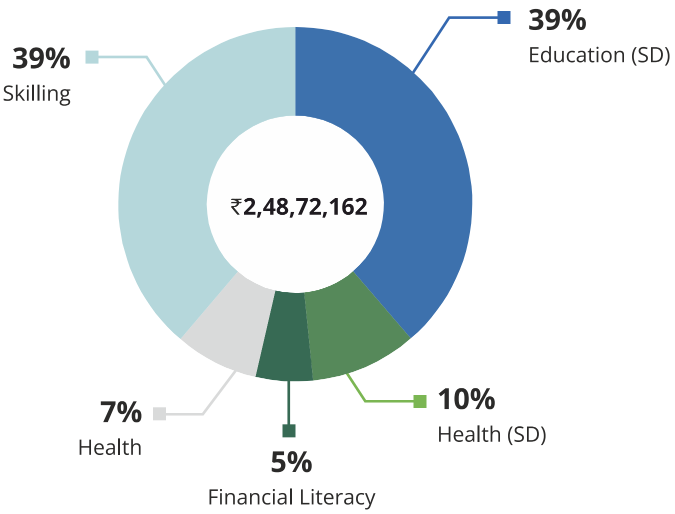
Lambha

Lambha shares many of the same challenges as Narol — overcrowding, limited education opportunities, and inadequate healthcare. Many families here had already started benefiting from Project Sashakt's initiatives nearby, so expanding our efforts to Lambha felt like a natural next step.

We started by focusing on two key areas: education and healthcare. By introducing STEM-based learning in local schools and offering free medical OPD services, we're building trust and creating a strong foundation for long-term development. As we continue expanding our programs, our goal remains clear: to empower more families to lead healthier, more secure, and self-reliant lives.



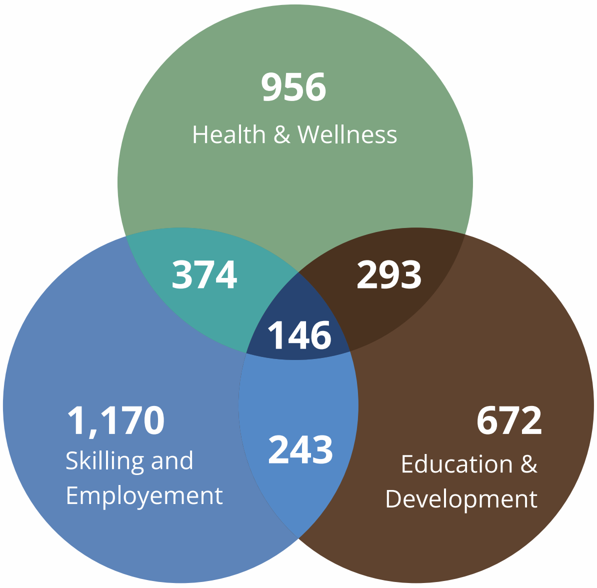
Project Sashakt - Pillars



Social & Relationship Capital

Families Participation

Sashakt Interventions



2,754 Total Families Benefitted

Data till date

The family participation rate has increased from 43.8% to 68.85% in FY'25

- *Skilling and Employment Interventions:*
  - ***1,170** families received only skilling support*
  - *An additional **763** families received skilling along with other services (374 with Health, 243 with Education, and 146 with both)*
  - *Total families benefiting from Skilling: **1,933***
- *Multi-dimensional Impact:*
  - ***1,056** families (approx. 38%) availed two or more interventions, highlighting the program's integrated approach across health, education, and livelihoods*

Skilling and Employment

On the journey to self-sufficiency, developing skills and creating job opportunities are the most essential — especially for women and youth. Because without the right set of skills, opportunity always remains elusive. Through Project Sashakt, we're empowering people to build confidence, achieve financial independence, and create long-term stability.

This year alone, we saw close to 3000+ enrollments across Narol and Naroda with courses in Self-Employed Tailoring, Beauty Therapy, GST-Tally, and Domestic Data Entry Operations.

Our newly established Naroda Sashakt Skilling Centre, launched in collaboration with Wings to Fly, welcomed over 600 beneficiaries in its first year.

But our impact goes beyond classrooms. Graduates of our skilling programs are building businesses and creating new opportunities within their communities. Our skilling centers have become vibrant community hubs, celebrating success through graduation ceremonies, competitions, and engagement activities. To support budding entrepreneurs, we provide essential resources like tailoring kits, cosmetic equipment, clothing materials, and branded signboards — ensuring their training translates into sustainable livelihoods.

At both the Skilling Centres, we've embraced digital data tracking to monitor demographics, attendance, and income growth — making sure our programs stay effective and responsive. We also host alumni meetings to foster community building and peer learning, turning our graduates into a support network. A key partner in this journey has been the Adani Skill Development Centre, which has helped us deliver high-quality skilling programs since the very beginning.

With every skill taught and every opportunity created, we're transforming lives and pushing families toward economic independence — the ultimate goal of Project Sashakt.

Social & Relationship Capital

Impact

Narol

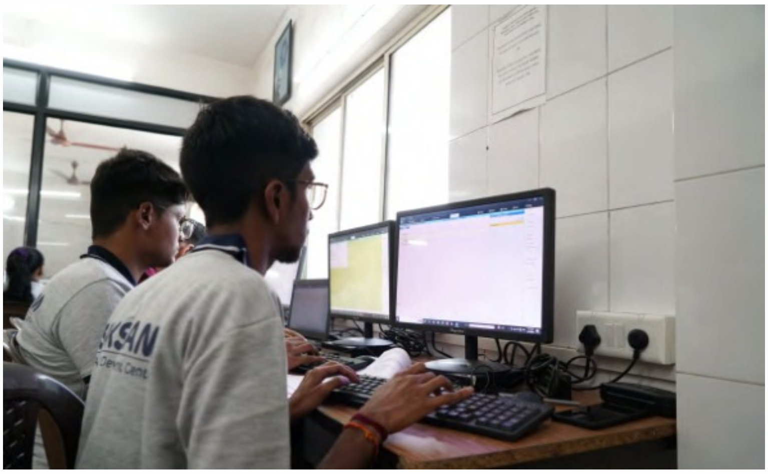
Equipped to serve 1000 beneficiaries annually 2299 enrollments to date, 1525 certified (This FY 991 enrolled across four trades).

The average monthly family income for the 265 beneficiaries that have participated in the skilling intervention has gone up by ~36% or ₹ 4,846.

Naroda

Equipped to serve 850 beneficiaries annually 823 enrollments to date, 410 certified (This FY 657 enrolled across six trades).

The average monthly family income for the 344 beneficiaries that have participated in the skilling intervention has gone up by ~27% or ₹ 4,320.



Social & Relationship Capital

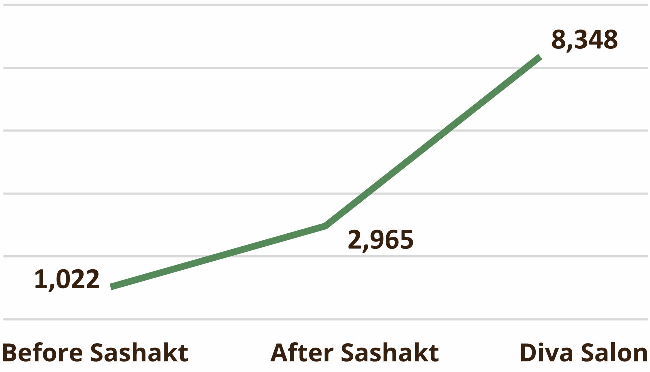
NEW PROJECT UPDATES

Sashakt Diva Salon & Academy

The Sashakt Diva Salon & Academy is a community-driven platform empowering women through skill development and real-world experience. A completely new project set up by HomeFirst, this innovative co-working salon model enables beneficiaries to apply what they learn in real-time and start earning as they train — by providing professional services like hairstyling, bridal makeup, nail-art and skincare under the expert guidance of seasoned trainers.

Since its launch on September 3, 2024, the salon has already served 600+ clients, generating an impressive ₹2,05,700 of total income. Building on this early success, HomeFirst is thrilled to expand the initiative to Naroda, opening up even more opportunities for women's financial independence and professional growth.

Average Income (₹)



Data is for all the 23 beneficiaries, worked in 2 batches at the Salon.

Social & Relationship Capital

NEW PROJECT UPDATES

Sashakt Diva Design Studio

Building on the success of the Sashakt Diva Salon, the Sashakt Diva Design Studio takes empowerment a step further. This neighbourhood co-working space equips women with state-of-the-art infrastructure for stitching, designing, and embroidery, enabling them to take on industry-standard assignments and hone their craft. While learning these skills, the beneficiaries have already started earning. To be free of the job hunting stress while at the same time enabling learning and upskilling is the most impactful achievement of this initiative.

By working close to home with flexible hours, beneficiaries can balance professional growth with family responsibilities in a secure and supportive environment. With a vision to create earning opportunities for 75 women annually, the studio ensures a steady flow of work, generating income while enhancing their skills and confidence — transforming creativity into self-reliance.

Social & Relationship Capital

AutoCAD Lab

The AutoCAD Lab, currently in the process of being set up at ITI Kubernagar and Polytechnic Girls College, is going to shape the future of 200+ students by equipping them with in-demand technical skills. Through comprehensive training and certification, students would gain expertise in 2D and 3D modelling, preparing them for real-world industry demands. Beyond training, the program ensures workforce readiness by connecting students to job opportunities across sectors.

Education and Development

Educational development is at the heart of building self-sufficiency. After all, a love for learning and curiosity needs to be nurtured early on. Through Project Sashakt, we're working hand-in-hand with schools to offer quality education, spark scientific thinking, and open up holistic development opportunities for children from migrant families.

To strengthen STEM education, we've set up fully equipped science labs that have completely transformed the learning experience for over 5,200 students across multiple government and semi-government schools in Narol, Naroda & Lambha. These labs have hosted more than 2500+ hands-on learning sessions, seamlessly blending practical STEM education with the school curriculum. The results are starting to show — learning assessments show a clear improvement in students' understanding of STEM concepts.

Surveys revealed that many children from our beneficiary families attend these schools, making this expansion a crucial step in encouraging scientific curiosity and providing experiential learning to young minds.

Two-Wheeler Repair Lab

The Two-Wheeler Repair Lab at ITI Kubernagar trains 60 students in bike maintenance, troubleshooting, and modern vehicle tech, including hybrid and electric systems. With industry-aligned training, it boosts technical expertise and job readiness.

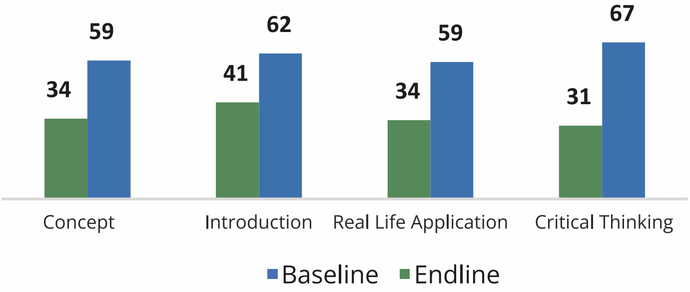
The response to our Interschool Science Fair has been nothing short of incredible. This year, we had students showcasing extremely innovative projects, with jury members from ISRO adding to the excitement and importance of the event. It was a powerful reminder of how STEM education can inspire future innovators.

Social & Relationship Capital

Our Bal Sashakt program, a holistic weekend initiative, continues to be one of our most celebrated efforts. Covering academics, arts, crafts, sports, nutrition, and cultural activities, it offers well-rounded development for children aged 6 to 15 years.

We're also ensuring children's well-being through health and safety camps in schools, creating hygienic learning environments and offering preventive care measures. Because when children are healthy and safe, they can truly thrive.

Learning Improvement



Impact

Narol

- Hosted 3rd interschool science fair with 327 students who built 96 innovative projects
- 1,628 students were benefitted from 1,153 STEM Labs' sessions
- Bal Sashakt hosted 41 Sunday sessions with more than 600 children participating.

Naroda

- Hosted 1st interschool science fair with 431 students who built 105 projects
- 2,500 students from 4 schools were benefitted from STEM Labs' sessions
- Bal Sashakt hosted 27 sunday sessions with more than 600 children participating.

Lambha

- STEM labs were built in 2 schools.

Social & Relationship Capital

Health Initiatives

Our health initiatives continue to be one of the most highly accessed and impactful aspects of Project Sashakt, drawing the highest number of beneficiaries. Access to quality healthcare remains a critical concern for migrant families who live paycheck to paycheck, as a single medical emergency can push them into financial distress. Recognizing this, we have designed comprehensive healthcare interventions that provide preventive care, early diagnosis, and accessible treatment options to ensure long-term well-being.

In Narol, our weekly Outpatient Departments (OPDs) have proven to be the most popular intervention, offering free diagnosis and medication for common illnesses while facilitating early detection of severe conditions. Given their success, we have expanded OPDs to Naroda, ensuring more families have access to regular check-ups and preventive healthcare.

Social & Relationship Capital

In Narol, our weekly Outpatient Departments (OPDs) have proven to be the most popular intervention, offering free diagnosis and medication for common illnesses while facilitating early detection of severe conditions. Given their success, we have expanded OPDs to Naroda, ensuring more families have access to regular check-ups and preventive healthcare.

From our previous surveys, we identified the need for full-body profiling assessments to detect and prevent chronic illnesses before they escalate into severe health concerns. As part of this initiative, we conducted 240+ preventive medical screenings in Narol, covering 49 essential medical tests for beneficiaries aged 35 and above. These screenings have helped identify high-risk cases early, preventing significant future medical expenses and improving overall health outcomes.

We have also prioritised school-based health programs as well, conducting dental and eye check-up camps across schools in Naro. These interventions ensure early detection of vision and dental issues, enabling timely corrective measures and fostering better learning conditions for school-going children.

With health and well-being at the core of our CSR initiatives, we remain committed to expanding our reach, improving healthcare access, and fostering a healthier future for migrant families.

Impact

Narol

- 50 OPDs were conducted benefitting 3499 people.
- Special body profiling camps were conducted benefitting 150 people between the age of 35 to 60.

Naroda

- 47 OPDs were conducted benefitting 3867 people.
- Special body profiling camps were conducted benefitting 154 people between the age of 35 to 60.

Lambha

- 1 OPD was conducted, benefitting 54 people.

Social & Relationship Capital

Financial Literacy

Understanding and managing money is a crucial step toward long-term empowerment and self-sufficiency. There's a common myth among our beneficiaries that saving isn't possible without a steady or high income — but the truth is, saving is possible at any income level. In collaboration with the Suryoday Foundation, we have launched financial literacy programs to instill this mindset. We educate families and students on smart money management, saving strategies, and future planning.

This year, we expanded the program's reach by conducting awareness sessions in six schools, encouraging students to take financial discussions home and involve their parents. This multi-generational approach ensures that financial awareness and digital literacy extend beyond the classroom, equipping entire families with essential financial skills.

Beyond education, we actively connect beneficiaries to government welfare schemes, providing access to crucial financial support and formal financial services. By facilitating enrolment in initiatives such as the E-Shram Card, ABHA Card, and Ayushman Bharat, we help families integrate into social security systems, reducing reliance on informal moneylenders and minimizing financial vulnerabilities.

Key Focus Areas:

- Financial literacy, banking education, and digital transactions
- Linking families to government schemes for financial security
- Promoting responsible borrowing and access to formal financial services
- Facilitating insurance, pension schemes, and savings deposits
- Streamlining KYC processes, including Aadhaar-mobile linking

Impact

Narol

- 4,006 beneficiaries
- 1,370 government linkages
- 1,170 students
- 454 parents

Naroda

- 3,030 beneficiaries
- 1,118 government linkages
- 935 students
- 122 parents

Social & Relationship Capital

Mahila Shram Shakti Kendra: Empowering Women, Building Futures

The Mahila Shram Shakti Kendra (MSSK) program remains a safe, supportive, and empowering space for migrant women workers across our three centres in Ahmedabad, Surat, and Palghar. Designed to empower women in the construction sector, MSSK equips them with technical skills, social security access, and legal awareness, enhancing their employability, improving their wages, and enabling them to lead independent lives.

At the heart of MSSK are comprehensive counselling sessions that engage both women workers and their families. These sessions emphasize the importance of a skilled female workforce, fostering family support for women's professional development. By bridging the gap between women workers and industry trainers, the program creates opportunities for on-the-job training (OJT) and long-term livelihood development.

Key Achievements:

Skill Development:

- 328 women received OJT counselling, with123+ securing direct OJT linkages.

Social Security and Welfare:

- 2,249 women registered for E-nirman under the BOCW scheme, accessing vital social security benefits.
- 36+ women linked to maternity benefit schemes, ensuring financial assistance for maternal health.
- 10+ children supported through scholarship programs, promoting educational opportunities.

Social & Relationship Capital

Legal Aid and Awareness:

- 1,290+ beneficiaries attended legal awareness sessions, gaining a deeper understanding of labour rights and entitlements.
- 206 legal cases counselled, providing direct legal support and guidance.

Health and Nutrition:

- 1,536+ women were linked to ANC- PNC ICDS Linkages
- 24+ health camps were held
- 75+ women were provided with UPT kits, promoting early pregnancy detection and reproductive health awareness.

Gender:

- 32 workshops conducted on gender sensitization and solidarity building

Through the MSSK initiative, we are empowering them with knowledge, social security, and healthcare access. By addressing their holistic needs, we're laying the foundation for long-term self-sufficiency, well-being, and economic independence.

Social & Relationship Capital

Customer Centricity

In a recent company-wide broadcast hosted by our CEO, one of our Relationship Managers (RMs) shared an interesting story. He was assessing a Panipuri vendor's financial profile. To demonstrate his experience, he pointed to the vendor's lightning-fast hands—a clear sign of experience and skill. No documents were needed; just a keen observation and a short video. This story isn't unique—it reflects how we rethink financial assessments every day.

We know not everyone fits into the traditional financial mould. Whether you're a street vendor, gig worker, or a salaried professional, the usual checkboxes are not enough to understand the real earning potential. Our customers are as diverse as our country itself—from small-town Kirana shop owners and self-employed tailors to graphic designers, delivery partners, tuition teachers, and tech professionals. For us, financial inclusion isn't just a buzzword. Many of our customers earn through unconventional means—whether as street vendors, small business owners, or independent contractors—without formal income documentation. We assess their financial standing through real-world indicators like transaction patterns, work consistency, and on-ground observations. This approach is powered not just by systems but by people—our Relationship Managers (RMs) are deeply involved in understanding local context, bringing empathy and insight into every assessment. Their human touch is a core part of our process. This approach allows us to serve a diverse clientele, ensuring that financial opportunity reaches everyone.

Cutting Through the Clutter

For too long, getting a home loan meant wading through layers of bureaucracy, piles of paperwork, and frustratingly slow approvals. We've changed that. Our digital-first approach makes the process fast, transparent, and hassle-free. Data-driven assessments, real-time tracking, and clear communication ensure you always know where you stand—no hidden fees, no last-minute surprises. From regional language loan agreements to upfront fee disclosures, we ensure customers are fully informed and never caught off guard. Our approach ensures that whether you're just exploring home loans or are already part of the HomeFirst family, you receive the same level of service, transparency, and flexibility. We simplify the process, listen to your needs, and build solutions.

At HomeFirst, we make homeownership accessible for those often overlooked—by recognizing diverse incomes and simplifying the process. We're committed to evolving with our customers, ensuring more people find their way home, no matter where they begin.

Our Brand Positioning

Speed: Industry-leading!
Our robust tech stack ensures 48-hour TAT, something we take pride in!

Home Loan Expertise: Unmatched!
Well-trained RMs have a strong understanding of local nuances, enabling us to customize at scale.

Transparency: 100% Trust
We explain every detail upfront. Our processes are very simple. Trust is great for word-of-mouth.

> As part of our ongoing efforts in this direction, our Homeownerhsip Impact study gathered stories of our customers and how homeownership changed their lives. One such powerful story is that of Kusama, whose journey exemplifies the deeper social value of what we do.

Source: Post Home Ownership Impact - Internal Research
HomeFirst x Sattva

Field Spotlight 1

From Ridicule to Respect: Kusama's Journey to Dignity and Security through Homeownership

Kusama

BIO

Kusama , an uneducated woman from a rural background, relocated to Jaipur with her husband and younger son after her husband's retirement and worsening asthma made it impossible for them to continue living in Delhi. After their elder son abandoned the family, the younger son stepped up to shoulder the responsibility, establishing a marble business in North India. Initially, the family lived in rented accommodation, but they quickly realized that paying rent was a recurring expense with no long-term gain. This realization motivated them to purchase their own home.

AGE	: 55 Years Old
OCCUPATION	: Housewife
CATEGORY	: Self Employed
FAMILY MEMBERS	: Son (33, business in trading of marbles and floor items) and Husband
MONTHLY HOUSEHOLD INCOME	: INR 30,000 - 50,000/-

Before Homeownership		**After Homeownership**
"Earlier, floor was also not there but I still came here because I could not wait to get inside my house."	01	*"We thank God everyday. We had such bad days and from there to here, seems like a true blessing."*
"While at work, I was concerned about the health of my parents especially father as he got asthma."	02	*"There is more mental stability. I work outside only so now I am not scared about the well being of my parents."*
"Earlier people used to make fun of us and our status, they said to our face that we can do nothing."	03	*"Same people who ridiculed us now come and talk to us. Even now some people are too jealous."*

For Kusama, buying a home was about leaving a lasting legacy in her community and securing a tangible asset for her family's future.

Journey to Homeownership

- After years of paying high rent and feeling socially marginalized due to financial struggles, she decided to invest in something more permanent.
- Initially hesitant about taking out a loan, her son reassured her that the EMI payments would be manageable.
- Her son chose a location close to essential amenities, which gave the family further confidence.
- Even though they moved in before construction was complete, the family was overjoyed to finally own a place they could truly call their own.

Impact Post- Homeownership

Kusuma's son now experiences a profound sense of peace, reassured by the proximity to essential services such as healthcare and local markets. This accessibility ensures the well-being of his parents, even in his absence, offering him much-needed mental tranquility.

The family has earned newfound respect within their community, overcoming past scorn and disbelief. Their achievement of homeownership has transformed their social standing, fostering a sense of dignity and proving their resilience.

> *"Even when there was no flooring, I wanted to move in. When God has given us a roof, why should I wait? I am extremely happy and forever grateful to HomeFirst for changing our lives completely."*

Kusuma has gained remarkable confidence and a renewed sense of purpose, with homeownership serving as a cornerstone of her personal growth and empowerment.

Their consistent EMI payments have significantly boosted their financial credibility, attracting interest from multiple financial institutions eager to partner with them.

Since acquiring their home, the family has experienced substantial prosperity, accumulating assets such as gold and a car, all facilitated by the security and stability that homeownership provides, alongside the growth of her son's business.

With homeownership secured, Kusama now looks forward to get her son married. The son is now focused on repaying the loan while planning future business investments and savings.

Social & Relationship Capital

OUR DIFFERENTIATORS

Single Point of Contact
across the journey of the loan

1

No Physical Documents
required from lead to approval stage

2

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

3

Customized Loan
"We See You, Not Your Documents"

4

Approval in 48 hrs
Fastest Turnaround in the Industry

5

No Hidden Charges
One time fixed charges

6

Easy Prepayment
Zero prepayment charges

7

Consent Call Before Disbursal
Disbursal only with customer permission

8

Mobile App
Full feature app with prepayment option

9

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

10

Intellectual Capital Management

In the rapidly evolving landscape of housing finance, intellectual capital emerges as a cornerstone for sustainable growth and competitive advantage. It encompasses a spectrum of assets beyond tangible resources, including knowledge, expertise, technology, and data-driven insights.

We have continuously led the way in leveraging technology for product innovation, driving efficiencies, and promoting sustainable business expansion. Technology is integral to every aspect of our operations, from customer onboarding to loan disbursement, ensuring a fully paperless process. The key focus areas are delivering Cloud based hybrid solutions which support web and mobile platforms, built data lakes and datasets, leveraging AI and ML algorithms to analyze patterns, predict outcomes, and generate actionable insights. These insights are continuously refined and reused to enhance decision-making, optimize processes, and drive business growth.

Over the past year, we have upheld our dedication to investing in technology, consumer insights, and advanced analytics, empowering us to deliver engaging customer experiences, streamline decision-making, and elevate operational performance.

Tech Infrastructure

The company is currently using a cloud-based platform across all the solutions. It uses Software as a Service (SaaS) and Platform as a Service (PaaS) models.

SaaS provides fully managed, ready-to-use software applications over the internet. Users do not need to install or maintain any software; they simply access it via a web browser. We use Salesforce as a SaaS platform.

PaaS offers a cloud-based platform that allows developers to build, deploy, and manage applications without managing the underlying infrastructure. It enables customization based on specific business needs, while servers, storage, and networking can be managed by the enterprise or a third-party provider. Developers focus solely on application management and development. We use Amazon Web Services as a PaaS platform.

Some of the salient features of these platforms are stated below:

- Cloud-native & Scalable: Ensures accessibility, automatic updates, and high availability.
- Low-code/No-code Development: Enables faster deployment and customization.
- Security & Compliance: Robust data security, encryption, and access controls.
- API & Integration Ready: Seamless connectivity with third-party applications.
- Multitenant Architecture: It isolates and concurrently supports the varying requirements of many tenants (organizations, business units, and so on). This ensures a customized application experience for each tenant while maintaining robust security and data integrity across all tenants.

Loan Origination System (LOS)

The Loan Origination System (LOS) is a cloud-based application designed to streamline the customer onboarding process. It offers a comprehensive suite of features along with some customizations, including Lead Generation & Nurturing, Credit Bureau Checks, Digital Verifications and Document Management System to ensure efficient onboarding. The system supports Credit Underwriting for both the property and the customer, along with seamless initiation of Legal and Technical evaluation for the Properties.

Additionally, LOS facilitates Loan Disbursals, Customer Service, and Collection Management, ensuring smooth post-sanction processes. It also includes Cross-Selling capabilities, Loan Closures, and Expense Management for internal users. The system has in-built capability for Reports & Dashboards, providing real-time insights to enhance decision-making, streamline operations, and enable effective tracking.

Intellectual Capital Management

Loan Management System (LMS)

The Loan Management System (LMS) handles key loan operations, including loan booking, interest accruals, amortization schedule generation, account statements, billing, payments, and collections management, loan restructuring & pre-closures. There is a continuous effort to increase process efficiency and reduce turnaround time (TAT) of various operational activities. Currently, LMS data serves as input for the accounting system. We are in process to achieve seamless integration between LMS and the financial accounting system in the upcoming year. It also has Multi-Product Support where it can handle different loan types (home loans, top-up loans, insurance loans, etc.).

Our Loan Management System (LMS) is seamlessly integrated with our Loan Origination System (LOS) and mobility solutions, ensuring a smooth and consistent user experience across all platform

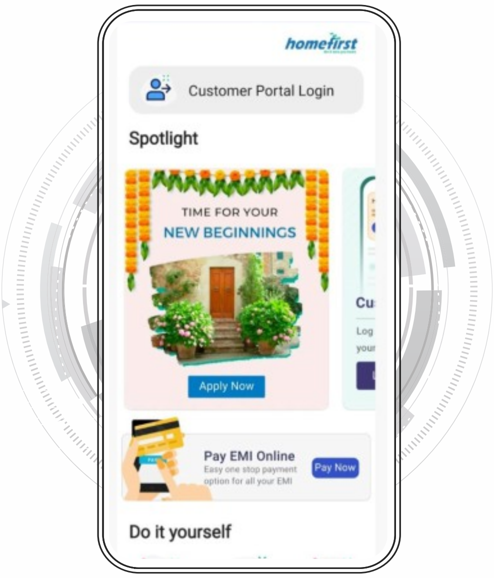
Mobility Solutions:

In a fiercely competitive landscape, we continue to sharpen our innovative edge through strategic investments in next-generation solutions that keep pace with latest technology trends. Our design-thinking approach enables us to stay attuned to evolving customer preferences, ensuring that every initiative we undertake enhances the overall user experience. At HomeFirst, the customer remains at the heart of our operations, driving us to create seamless, value-added solutions that not only streamline processes but also empower our customers and partners alike.

Over the past year, our digital platforms have evolved significantly to deliver enhanced value and streamline interactions across our customer base, employees, and service providers. Our upgraded mobile solutions now empower customers to execute transactions seamlessly, access personalized loan statements, manage repayments, and raise queries—all without the need for a physical branch visit. Simultaneously, our advanced portal ecosystem has refined its reporting capabilities, offering customizable MIS and real-time dashboards that support informed decision-making and operational efficiency. This strategic progression not only improves transparency and responsiveness but also reinforces our commitment to a user-centric approach that drives business growth.

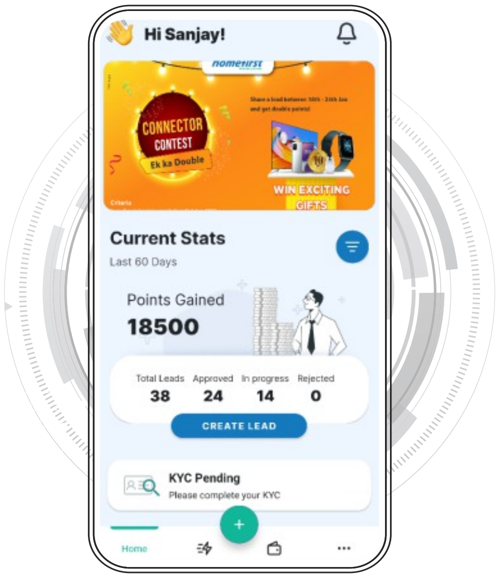
HomeFirst Customer App: Enhancing Management of Home Loans

We have developed The HomeFirst Customer App with a single purpose: to improve the experience of home loans. Its assisted features like real-time loan tracking, easy EMI payments, digital document uploads, and instant support guarantee end-to-end convenience from application to the closing of the loan. Thousands of active users have adopted the app and use it to manage their loans seamlessly on the go. With innovation and customers ease being our largest motivator, we strive to take the effort out of home financing and maximize accessibility like never before.



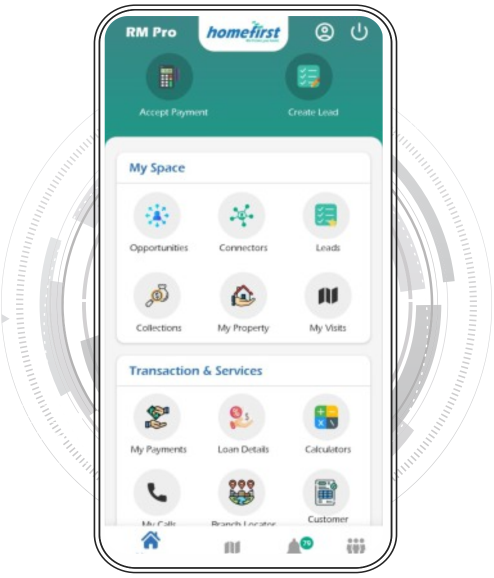
Intellectual Capital Management

HomeFirst Connect



HomeFirst Connect is our dedicated platform designed to streamline and enhance collaboration with our business partners and channel partners. The app provides a seamless experience for lead management, enabling real-time application tracking, document uploads, and communication with our field force. By simplifying the loan application journey and improving transparency, HomeFirst Connect has significantly enhanced efficiency, reduced turnaround times, and strengthened our partner ecosystem—ultimately driving higher customer satisfaction and business growth.

HomeFirst RM Pro



This app is for our Relationship Managers. This app has a host of features to support the RM in his day-to-day work. The RM can collect payments from customers through the app, onboard new connectors, feed in leads as well as process loans and track them real-time, create tasks for collections or other daily activities, and update KYC details on the system through the App, amongst others. RM Pro as a Product has come a long way in providing complete assistance to field Relationship Managers and the data rolls up till Regional Managers throughout the sales hierarchy. The team at Home First keep engaging with end users and bring in more and more innovation in the product. One such example was enabling offline mode to mark the closure of the Customer Visits by the Relationship Manager.

Intellectual Capital Management

Business Transformation and Digitization:

Our in-house Lead Management System, has streamlined lead tracking, improved response times, and boosted conversion rates. Unlike third-party solutions, it is fully aligned with our workflows, integrates seamlessly with WhatsApp and SMS campaigns, and offers the flexibility to adapt to evolving business needs. Developing it internally has reduced costs, enhanced data security, and eliminated vendor dependencies. With automation and real-time insights, it has empowered our teams, making lead management more efficient and scalable. It remains a key pillar in our digital transformation journey, driving growth and operational excellence.

We have digitized processes for customer verification, fraud check, e-NACH, e-Signing, e-Stamp, and e-Vaulting, leveraging API stack solutions provided by authorized aggregators enabling a paperless, straight-through process while ensuring data integrity and operational efficiency.

Analytics, Automation, and AI (AAA)

At HomeFirst, we believe that digital transformation is not just about adopting technology, but about reimagining business processes, decision-making, and customer experience.

As part of our strategy, we continue to invest in building a scalable and robust, data-driven decision framework that empowers employees, enables insightful management actions, delivers operational excellence, and creates intelligent, personalized experiences across the customer lifecycle.

To this end, we have developed digital platforms and advanced analytical models mapped to key stages of the customer lifecycle from lead generation and onboarding to servicing, collections, and retention. These models help us diagnose current trends, predict future behaviour, and determine the most effective next-best actions.

Analytics

We have built a resilient and scalable data architecture that integrates structured and unstructured data from various internal and external sources. Our enterprise-wide data lake acts as a single source of truth—driving analytics, reporting, and machine learning across business functions.

With a dedicated in-house analytics team, we have embedded data deeply into our decision-making DNA. By leveraging tools like Tableau, we have built interactive dashboards that track key business metrics including productivity, delinquency, growth, risk, and digital adoption enabling real-time visibility and quicker, more informed responses across functions.

These insights not only elevate the quality and consistency of decisions but also help us anticipate market shifts, identify high-growth geographies, and strategically guide branch expansion.

Our geo-tagged property data further strengthens our ability to offer precise loan-to-value evaluations. This seamless data integration helps reduce friction in the loan process and improves turnaround time significantly.

Automation

At HomeFirst, our automation strategy is focused on creating frictionless, intelligent, and scalable processes that drive operational excellence. We are implementing end-to-end automation across critical functions to ensure speed, accuracy, compliance.

Core processes such as bureau reporting, eligibility checks, underwriting decisions, payment reconcil-iations, and clearances are now managed through automated systems designed to be secure, transparent, and ethically aligned.

Our Analytics Integration Layer combines customer data, predictive insights, and embedded business logic layer powers contextual cross-sell, dynamic pricing, and instant eligibility assessments, enhancing both business outcomes and customer experience.

Intellectual Capital Management

To uphold correctness and trust, we embed validation checkpoints and audit trails within all automated workflows ensuring data integrity, regulatory compliance, and policy consistency at every step.

Artificial Intelligence (AI)

AI is reshaping our core business workflows—from credit underwriting to customer retention.

Our ML models are trained on multiple data points, including demographic, financial, behavioural, and third-party insights which are actively used to assess credit risk, forecast EMI bounce likelihood, early closures, and determine lead conversion propensity, helping the business stay agile and focused on high-impact opportunities.

As we move forward, we envision AI becoming a real-time partner in customer conversations powering voice intelligence, dynamic query handling, and personalized interactions. Our focus remains on building explainable, ethical AI/ML models that support human decision-makers while ensuring superior customer experience and responsible credit access.

Future-Forward, Always Evolving

Our platforms are anchored in cloud-native infrastructure, intelligent automation, and mobile-first design—empowering us to scale rapidly, deliver real-time insights, and respond to customer needs with speed and precision.

The convergence of open-source empowers our teams to build with transparency, iterate faster, and stay aligned with global advancements, ensuring our architecture remains resilient, cost-effective, and future-ready.

In summary, intellectual capital stands as the cornerstone for achieving success in the housing finance sector, enabling companies to innovate, distinguish themselves, and flourish amidst market changes. Through the utilization of mobility solutions, data analytics tools, lead management systems, cloud infrastructure, business transformation, digitization, and ML models, HomeFirst can tap into fresh possibilities, enhance operational efficiency, and provide unmatched value to both customers and stakeholders.

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
1 NO POVERTY SDG 1: End poverty in all its forms everywhere	Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Launched Project Sashakt with an aim to elevate migrant households from the bottom of the pyramid through comprehensive socio-economic improvement aspects in Narol and Naroda, Gujarat. We have supported about 6,500+ families through our efforts aimed at skilling, education, financial literacy and health.
2 ZERO HUNGER SDG 2: End hunger, achieve food security & improved nutrition and promote sustainable agriculture	Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	To promote non-farm employment and enhance incomes of women from marginalized communities, Mahila Shram Shakti Kendras (MSSK) implemented a targeted skill training and life skills program for women construction workers. By enabling their transition from informal 'helper' roles to skilled trades like masonry and tile fitting, the initiative helped increase daily wages and improved women's bargaining power in the workplace. On-the-Job Training (OJT), toolkit distribution, and ongoing counselling ensured skill development and workplace readiness, while sensitization of male counterparts fostered more inclusive job environments collectively expanding dignified non-farm livelihood opportunities for women in the urban construction sector. During the year about 328 counselling sessions were conducted under this initiative.
3 GOOD HEALTH AND WELL-BEING SDG 3: Ensure healthy lives and promote well-being for all at all ages	Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	Our CSR Project - Shashakt in Naroda advances universal health coverage by offering affordable, accessible, and quality healthcare services to underserved communities. Through weekly OPDs staffed by experienced doctors, it has served over 3,700 beneficiaries with essential medical care, including treatment for chronic conditions like hypertension and diabetes. Regular eye check-up camps and the provision of corrective eyeglasses have further strengthened access to vision care,

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
		especially for school children and older adults benefiting over 3,200 individuals. Similarly the dental checkup camps benefited over 5,000 individuals. Additionally, health camps for beneficiaries aged 40 and above provided comprehensive body profiling, lifestyle guidance, and personalized consultations benefiting about 150 individuals. These initiatives ensure continuous medical support and promote preventive healthcare, reinforcing financial risk protection and access to essential health services for all age groups.
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes Target 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	To promote quality and inclusive education, Science Labs were set up in 10 schools in Narol and Naroda, benefiting over 10,000 students and enhancing STEM learning. The Bal Sashakt program supported 3400+ children. Various intiatives taken under the program included thematic Sunday sessions focused on holistic development in areas like arts, sports, and communication. An educational visit to Ahmedabad Science City sparking interest in science among students through interactive learning, 20-session Vedic Maths workshop for students aged 14–16 strengthening their confidence, mental math, and problem-solving skills.

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
4 QUALITY EDUCATION SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	To enhance women's access to decent employment, the MSSK skill training and life skills program focused on equipping women workers with technical skills in traditionally male-dominated trades like masonry, tile fitting, and marble work. Through counselling and awareness sessions with families and male peers, the program challenged gender stereotypes and enabled women to transition from 'helpers' to skilled professionals. A total of 158 women enrolled in on-the-job training, with 118 successfully completing it under expert guidance. Toolkit distribution benefited 300+ workers, boosting motivation and job readiness. Additionally, 29 life skills sessions reached 343 women, building their confidence and awareness on identity, gender norms, and workplace safety—key for long-term empowerment and employability.
4 QUALITY EDUCATION SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Target 4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	We have organised financial literacy programs for students from classes 8 to 12 and Parents of School Children through in 10 schools in Narol and Naroda supported by pre and post-training assessments. As a result, 92 families started saving under the Sukanya Samriddhi scheme and 47 families through small savings instruments like RDs, FDs, and Mahila Samman deposits. Individual bank accounts were opened for 83 participants, fostering financial inclusion.

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
SDG 5: Achieve gender equality and empower all women and girls	Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	To promote women's leadership and participation, 32 gender sensitization sessions were held across Mahila Shram Shakti Kendra centres, enabling migrant women to recognize their rights, roles, and identities. Couple sessions fostered shared understanding between women and their male partners. Exposure visits to civic institutions empowered women to access services and engage with local authorities. Two leadership visits to Kutch Mahila Vikas Sangathan (KMVS) in Kutch and Ujjala Sangathan in Udaipur inspired women to strengthen solidarity, challenge gender norms, and promote economic independence in their communities.
SDG 6: Ensure availability and sustainable management of water and sanitation for all	Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	To support sustainable water use and improve agricultural resilience, we are helping farmers enhance water-use efficiency by facilitating access to reservoir water and promoting crop diversification. This reduces reliance on single-crop farming, mitigates rural migration, and conserves freshwater resources. In line with these efforts, we supported 11 additional farmers this year with solar pump installations, enabling efficient irrigation while reducing dependence on conventional energy and groundwater. These initiatives contribute to long-term water sustainability, improved livelihoods, and reduced vulnerability to water scarcity.

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
7 AFFORDABLE AND CLEAN ENERGY SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix Target 7b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support	To support access to sustainable energy in agriculture, we facilitated the installation of solar pumps for 11 farmers this year, promoting clean and efficient irrigation. This initiative reduces dependence on conventional energy, enhances agricultural productivity, and supports rural livelihoods through modern, climate-resilient technology.
8 DECENT WORK AND ECONOMIC GROWTH SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training	Sashakt Skilling Centres at Narol and Naroda offer the community members with trainings across trades such as tailoring, beauty therapists, GST with Tally, Data Entry Operations, Retail Sales executive and Gruh Udyog to enable them with skills that can directly lead to their employment through placements or help them become self-employed. we have had 2,700+ enrollments in these courses (especially women).
	Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Our Mahila Shram Shakti Kendra skill and life training program empowered 158 migrant women workers by enabling them to enter male-dominated trades like masonry, tile fitting, and marble work. Through 328 counselling sessions and 123 training linkages, MSSK helped women transition from informal 'helper' roles to recognized skilled professionals. On-the-job training and toolkit distribution at labour nakas boosted their earning potential and workplace confidence. Sensitization sessions with male workers and contractors promoted gender-inclusive workspaces. Refresher courses, based on trainee feedback, further supported skill application. These efforts have advanced women's financial independence while fostering safer, more equitable environments

Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
8 DECENT WORK AND ECONOMIC GROWTH SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	Through our efforts in our project locations, we have been promoting financial literacy in the community with the help of Suryoday Foundation, educating youngsters as well as other community members about banking, insurance and other financial supports available to them. Mahila Shram Shakti Kendra also promotes the financial literacy of the women construction workers.
10 REDUCED INEQUALITIES SDG 10: Reduce inequality within and among countries	Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Project Sashakt, the flagship project under HomeFirst's CSR activities is aimed at the holistic upliftment and socio-economic empowerment of the migrant households in the Narol and Naroda regions of Gujarat. The project initiatives have largely helped the women in the community as well. We have supported about 6,500+ families through our efforts aimed at skilling, education, financial literacy and health.
11 SUSTAINABLE CITIES AND COMMUNITIES SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable	Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	HomeFirst is in the business of providing affordable housing finance to customers belonging in the lower and middle income groups.
	Target 11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials	The company has initiated meaningful progress in green housing, a strategic initiative contributing to the reduction of greenhouse gas (GHG) emissions. 591 customers are already onboarded with the company for constructing Green Homes of which 120 have already completed certification. These initiatives are expected to result in an annual reduction of 110 tonnes of CO_2 equivalent (tCO_2e), through savings of 163.39 MWhe of electricity and 5,254.27 cubic meters of water.

Linking of SDGs

UN SDG Covered		Target Covered Under the SDG	Initiatives undertaken at HomeFirst
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Target 16.5: Substantially reduce corruption and bribery in all their forms Target 16.6: Develop effective, accountable and transparent institutions at all levels	We have Anti-corruption and Anti-Bribery policy - This policy also outlines the Company's policy concerning 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. HomeFirst is committed to ensuring ethical business practices and transparency in the conduct of its operations. Transparency is one of our 3 core values.
17 PARTNERSHIPS FOR THE GOALS	SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Target 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	Collaborative efforts with trusted and known organizations (CSR implementing agencies - Elixir Foundation, Respire Experiential Learning, Ajeevika Bureau Trust, Suryoday Foundation, Wings to Fly, Keshav Srushti, and others) to achieve sustainable development goals while transforming communities through our efforts in skilling, education, health and financial literacy.

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Statutory
Report

Management Discussion and Analysis

Like every year, we try to bring a perspective on Housing in India, the key drivers, changes in landscape and how HomeFirst continues to thrive with a clear focus on Housing Finance. We have structured the narrative in the following manner for your better reading. We have also tried to depict the narrative through a flowchart that connects the building blocks of creating a strong affordable housing finance franchise. We hope to hear from you on your perspective on housing finance and continue our focus for a few decades to come.

1. India continues to gain global prominence driven by steady, consistent growth and structural resilience
2. Government's focus and measures to improve socio-economic landscape – a necessity
3. GDP growth and Government measures driving demand for housing finance
4. Under penetration and robust demand to ensure sustained growth of housing finance
5. Are all states the same?
    - 5A. Building blocks of housing finance penetration across states
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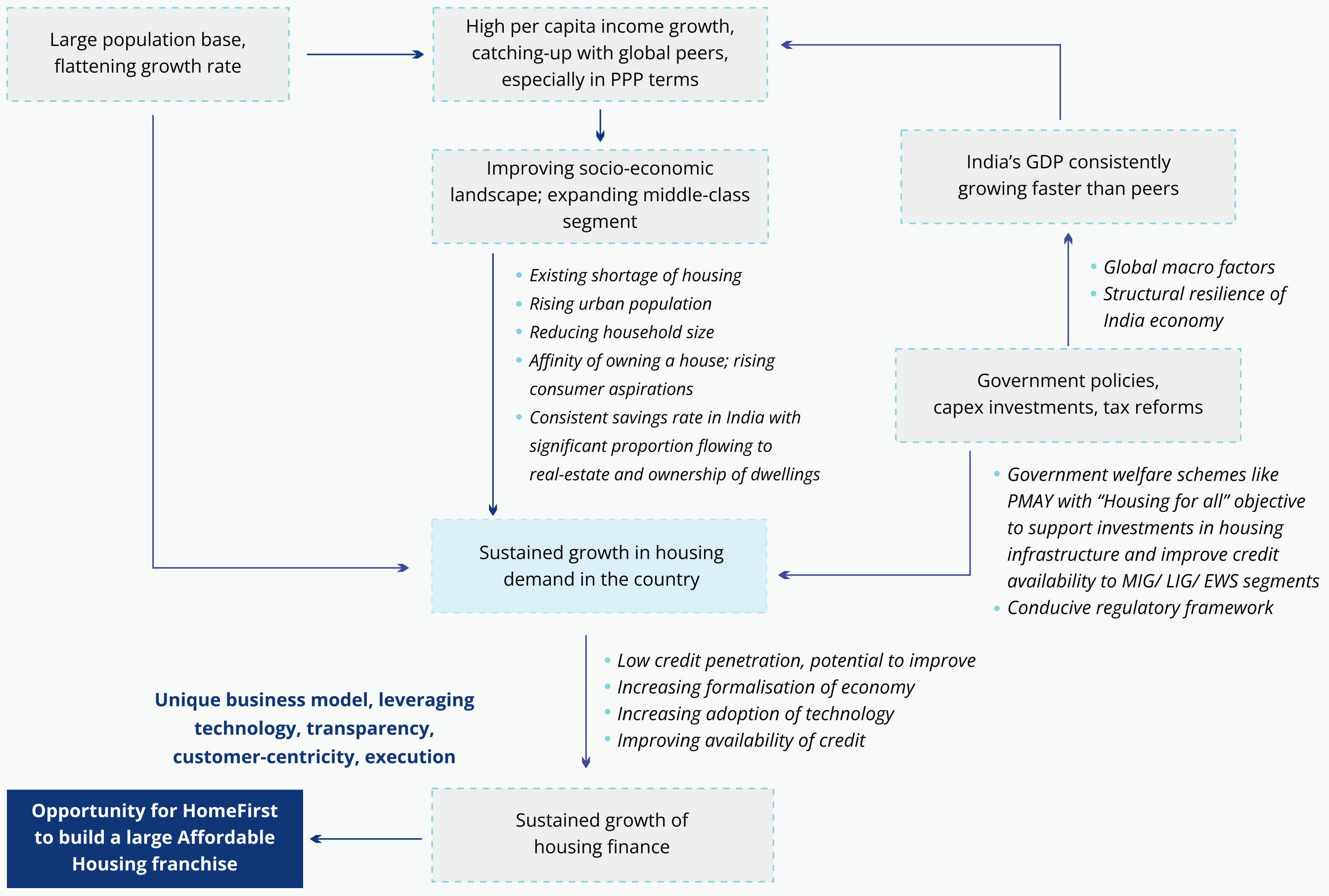
6. Technological and digital penetration bringing in new opportunities and challenges
7. A welcoming and conducive regulatory framework and policy support towards sustainable growth
8. Conclusion

Building blocks of strong affordable housing finance franchise



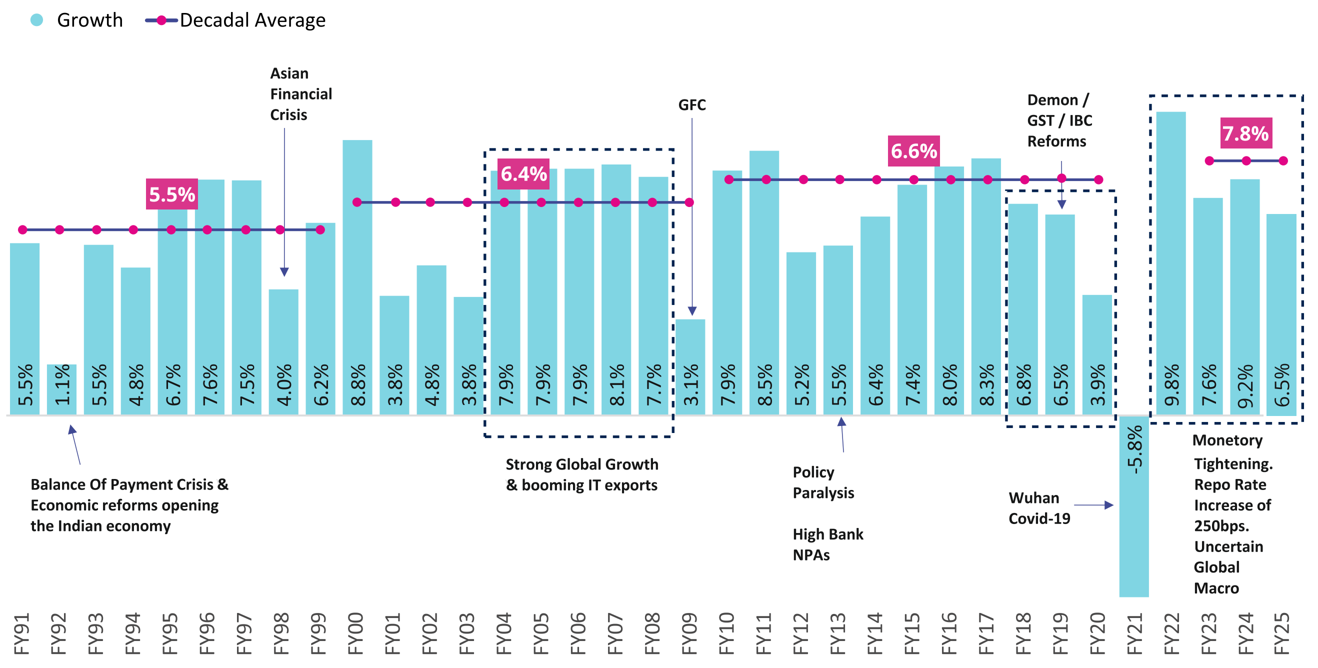
1. India continues to gain global prominence driven by steady, consistent growth and structural resilience

India, over last three decades, has been growing much faster among all major economies and has been increasing its prominence in the global context. Unlike some large peers, the India growth story has been very consistent and resilient as the economy has tide over multiple economic shocks and yet delivered consistent growth.

As per MOSPI's (Ministry of Statistics and Program Implementation, Government of India) second advance estimates, the GDP is expected to grow around 6.5% for FY25 (IMF estimate comparable for CY24), which is a globally leading rate. India's growth is being driven by faster growth of Industry and Services sectors, expanding at 5.6% and 7.3%, respectively. This highlights government's strategic focus on growth of MSMEs and Ease of Doing Business along with key initiatives such as Make in India, Skill India, and Atmanirbhar Bharat which not only elevates economic output but also generates employment, enhances per capita income, and stimulates demand across industries.

Exhibit: Indian Economy resilient over long-term despite multiple economic shock with multi-decade growth consistent around 6.5%

Resilience of Indian economy, over the past many decades, stems from its structural composition including industry and services sector as well as domestic consumption. These factors have helped Indian economy tide away large disruptions like Asia Financial Crisis in FY98 or Global Financial Crisis in FY08. The only time Indian economy witnessed negative growth since 1990s was during FY21 driven by impact of Covid-19. Since the Asian financial crisis, the Indian economy's decadal average growth remained at 6.4%-6.6%, even after getting impacted from the Global financial crisis of FY09 and the covid impact in FY21.



Note: Real GDP, at constant prices; Source - NITI Ayog - ICED, MOSPI, Company Working

Management Discussion and Analysis

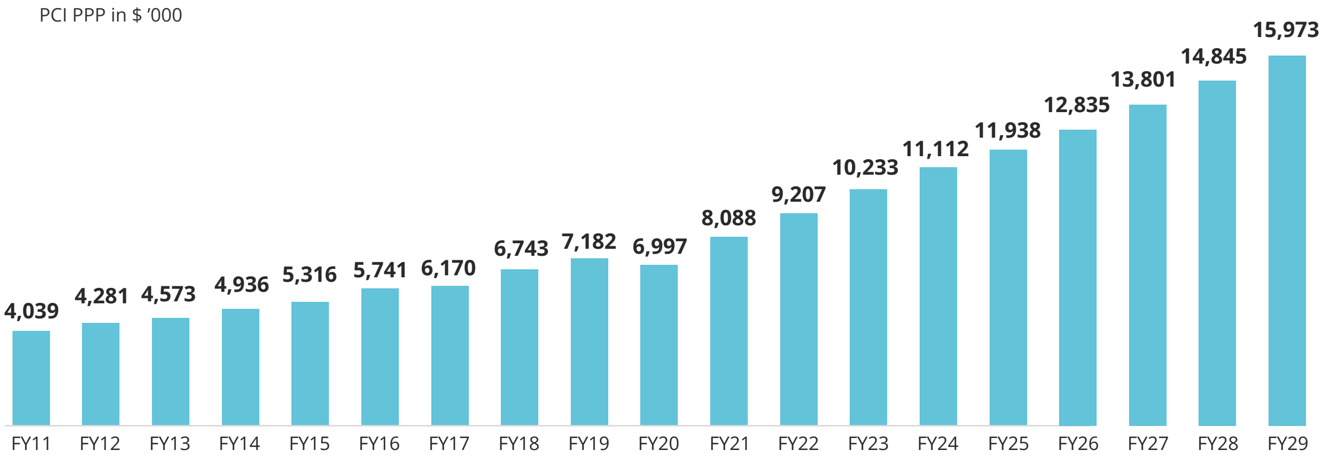
The rapid and consistent growth in GDP has led to India gaining prominence in global economy. Over 2014 to 2021, India consistently gained ranking in terms of size and became the fifth largest (in 2021) economy globally (from ninth in 2014) in terms of GDP at current prices. As per IMF World Economic Outlook (Oct'24), India is expected to become third largest by 2028. The consistent growth in GDP has led to significant growth in per-capita income – presenting significant opportunities, especially with strong foundational shift of its large population base dynamics and improving socio-economic factors.

Exhibit: India's GDP ranking in the world improved from 9th to 5th in a decade and further expected to rise to 3rd by 2028, Crossing $ 5 trillion mark by 2027

Rank	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1	USA	USA	USA	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	China	China	China
3	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Germany	Germany	Germany	Germany	Germany	**India**	**India**
4	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Germany	Japan	Japan	Japan	**India**	**India**	Germany	Germany
5	UK	UK	UK	UK	UK	UK	UK	**India**	**India**	**India**	**India**	**India**	Japan	Japan	Japan	Japan
6	France	France	France	**India**	France	**India**	**India**	UK	UK	UK	UK	UK	UK	UK	UK	UK
7	Italy	**India**	**India**	France	**India**	France	France	France	France	France	France	France	France	France	France	France
8	Russia	Italy	Italy	Italy	Italy	Italy	Italy	Italy	Italy	Italy	Canada	Canada	Canada	Canada	Canada	Canada
9	**India**	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Italy	Italy	Italy	Italy	Italy	Italy
10	Canada	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia	Russia

Source: IMF World Economic Outlook, GDP at current prices

Exhibit: India's growing per capita income (current prices in $ PPP adjusted)



Source: IMF World Economic Outlook; Note: PCI - Per Capita Income

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Management Discussion and Analysis

2. Government's focus and measures to improve socio-economic landscape – a necessity

The Indian government has been actively working to uplift the socio-economic status of the country through a multi-faceted approach. As per Economic Survey 2025, total expenditure on social services has gone up from 24.4% in FY17 to 26.2% in FY25 (BE) – as a percentage of total expenses (Centre and State together). In absolute terms, it implies CAGR of 12% over the same period – from ₹ 10.4 lakh Crs annual expense in FY17 to ₹ 25.7 lakh Crs in FY25. Some key focus areas of government are:

A. Education and skill development reforms are being prioritized to equip the workforce with future-ready capabilities, fostering innovation and entrepreneurship.
B. Improving healthcare infrastructure.
C. Access to necessities like drinking water and sanitation has been another focus to improve standard of life.
D. Financial inclusion by way of providing credit / credit guarantee and banking facilities.
E. Urban development to focus on building new centres of growth.
F. Significant investments have been made in transportation networks, logistics, and smart city projects to drive urban and rural connectivity.

By focusing on these interconnected areas, the government aims to accelerate economic progress while ensuring a better standard of living for all citizens – bolstering demand across different sectors.

Let us deep dive into some of the key areas of focus in each of the above aspects:

2A. Education, Skilling & Employment Generation:

Government has been putting major thrust on education – primary, higher education as well as vocational upskilling. The National Education Policy 2020 ("NEP") aims to have engaged, productive, and contributing citizens for building an equitable and inclusive society. School infrastructure is being improved under the policy with a focus on improving Gross Enrolment Rates ("GER") for both primary and secondary education. The policy stipulates that foundational literacy and numeracy ("FLN") is critical for education and lifelong learning success. Towards this end, the Department of School Education & Literacy launched the National Mission, "National Initiative for Proficiency in Reading with Understanding and Numeracy (NIPUN Bharat)," in Jul'21 to ensure that every child in the country necessarily attains FLN by the end of Grade 3, by FY27. It covers three years of FLN in preschool and Grades 1, 2 and 3. Given schools lay the foundation of education and good school infrastructure is critical to improve enrolment rate, the government has been focussed on improving school infrastructure.

Exhibit: Improving School Infrastructure

Parameters (in %)	FY23	FY24	FY25
Girls Toilet	97.5	97.0	97.2
Boys Toilet	96.2	95.6	95.7
Hand Wash Facility	93.6	94.1	94.7
Library/Reading Room or Corner	87.3	88.3	89.0
Electricity	89.3	91.7	91.8
Annual Medical Check-up	54.6	74.3	75.2
Computer	47.5	47.7	57.2

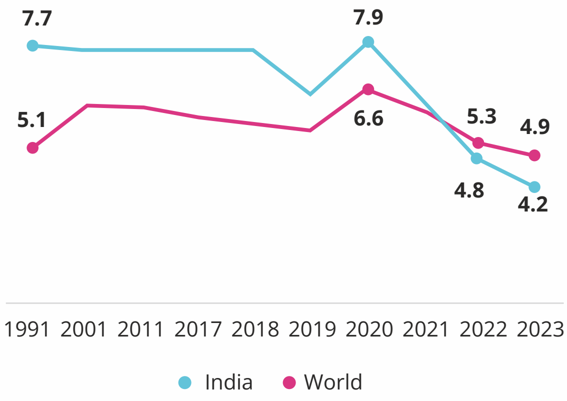
Source: Economic Survey 2025

Management Discussion and Analysis

2A.1. Employment focussed initiatives:

Government's initiatives like "Make-in-India" and "Skill India" are targeted towards up-skilling and generating employment with an objective to make India "Aatmanirbhar" (self-reliant). These two factors form the foundation for improvement in skills, sustainably increasing jobs as well as increase in per capita incomes and strengthen consumption in the medium-to-long term. The Skill India initiative has been instrumental in creating and implementing comprehensive skill development training programs, bridging the gap between industry demands and skill requirements, and driving the country's development. The internship programme launched in Oct'24 aiming to provide 1.25 lakh internships in FY25 is a classic example of Governments focus on enhancing employability skills through practical experiences. Further since its inception in Jul'15, PMKVY (Pradhan Mantri Kaushal Vikas Yojana) has emerged as a cornerstone initiative in India's skill development landscape. As per the Ministry of Skill Development and Entrepreneurship, the scheme has successfully trained 1.42 Cr individuals, with 1.13 Cr of them having received certification by Sep'24. The finance minister, during the Union Budget 2025 speech, announced that five 'centres of excellence' will be set up for skilling the youth of the country. Allocations were raised for the key schemes – like New Employment Generation scheme (budget allocation increased from ₹ 10,000 Crs in FY25 to ₹ 20,000 Crs in FY26), New Internship Programme (budget allocation increased from ₹ 2,005 Crs in FY25 to ₹ 10,842 Crs in FY26), and ITI Upgradation scheme (budget allocation increased from ₹ 1,000 Crs in FY25 to ₹ 3,000 Crs in FY26) – to continue focus on promoting employment and skilling. These initiatives have had a profound impact on the MSME sector, enhancing the employability of the workforce. The backbone of India's economy, MSMEs significantly contribute to the country's growth, accounting for approximately 30% of the GDP, 46% of the India's exports, and providing employment opportunities to approximately 25.2 Cr people (Source: Udyam portal). The growth of MSMEs is crucial in generating employment opportunities for the Indian population.

Exhibit: Rapidly reducing unemployment data vs global



Source: World Bank; Figures in percentage

Growth in formal and semi-formal job observed backed by MSME's growth (as evident from Udyam data). Key drivers include expansion in the Information Technology, Industrial & Materials, and Healthcare sectors, propelled by digital transformation and company growth initiatives. Tailwinds such as government incentives, like Make-in-India, Skill India, Internship programmes, are expected to further bolster job creation and attract substantial investments.

Management Discussion and Analysis

2B. Improving health care services, insurance penetration and life expectancy:

India has witnessed a notable increase in public spending on healthcare infrastructure, reflecting a growing commitment to bolstering the nation's healthcare system. As per National Health Authority (NHA), Government health expenditure increased from 1.1% (i.e. ₹ 1.4 lakh Crs) in FY15 to 1.8% of GDP (i.e. ₹ 4.3 lakh Crs) in FY22. Over the same period, the total healthcare expenditure, has nearly doubled to ₹ 9 lakh Crs (3.8% of FY22 GDP). This upward trend indicates a prioritization of healthcare investment to address the evolving needs of the population.

2B.1. Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY):

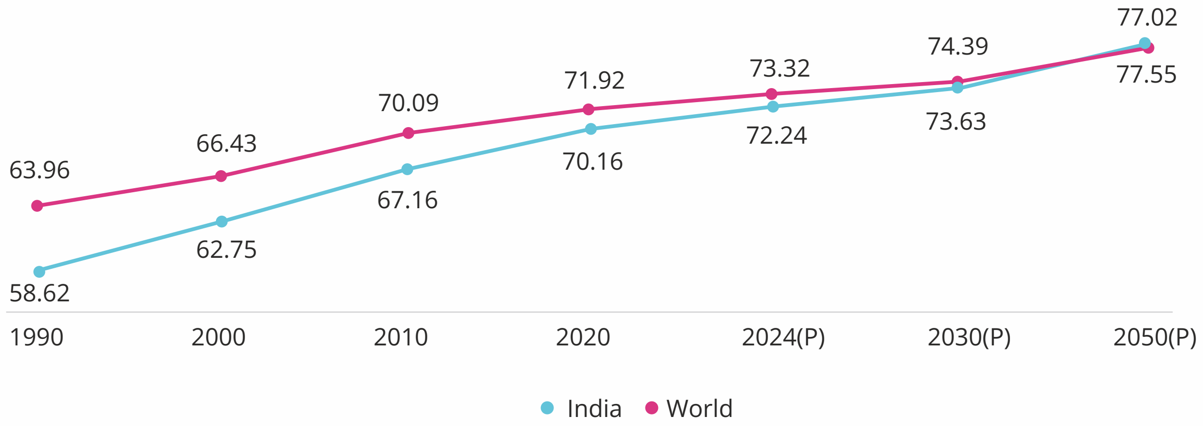
Launched in Sep’18, AB PM-JAY is the world's largest publicly funded health assurance scheme, providing health coverage of ₹ 5 lakh per family per year for secondary and tertiary care hospitalization. As of Oct’24, the scheme has expanded to include all senior citizens aged 70 and above, irrespective of their socio-economic status, benefiting an estimated 4.5 Cr families. As per National Health Authority, this increase has facilitated enhanced public healthcare services, contributing to a decline in Out-of-Pocket Expenditure (OOPE) of patients – from 48.8% in FY18 to 39.4% in FY22 as a percentage of the total health expenditure. This trend not only helps the lower income household by providing them access to better healthcare facilities but also aids in their disposable incomes. As per Household Consumption Expenditure Survey FY23, medical expenses form 6% of monthly per capita consumption expenditure of urban areas and 7% of rural areas.

Others schemes such as the Pradhan Mantri Jan Aushadhi Yojana (PMJAY), Aam Aadmi Bima Yojana (AABY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) etc. aimed to address from providing generic low-cost medicines, improved and low-cost insurance covers etc. eventually addressing to reduce the Out-of-pocket expenditure and improving affordability of Health care services for the lower and middle class population.

Improving healthcare facilities and insurance penetration has had a positive impact on life expectancy in the country. Between 1990 - 2024, life expectancy in India witnessed a sharp improvement – from 58.62 years in 1990 to 72.24 in 2024. During the same period, the gap against global average narrowed significantly and is expected to surpass the world average by 2042.

Exhibit: Improving life expectancy

(at birth, in Yrs)



Source: UN World data

Management Discussion and Analysis

2C. Improving Sanitation and Water Infrastructure:

As part of enhancing public healthcare and standard of life, improving water and sanitation infrastructure has been a major area of thrust by the government. Various schemes like Jal Jeevan Mission ("JJM"), Swachh Bharat Mission ("SBM"), and Atal Bhujal Yojna have been launched to address these areas.

2C.1. Jal Jeevan Mission ("JJM"):

JJM was launched in Aug'19 with an objective to provide access to tap water to rural households; the scheme has covered ~80% of rural households and has been extended till 2028 to cover balance 20% of rural household under the scheme.

2C.2. Swachh Bharat Mission ("SBM"):

SBM was launched in Oct'14 to achieve universal sanitation coverage, eliminate open defecation, and promote cleanliness through behaviour change and infrastructure support.

2C.3. Atal Bhujal Yojna:

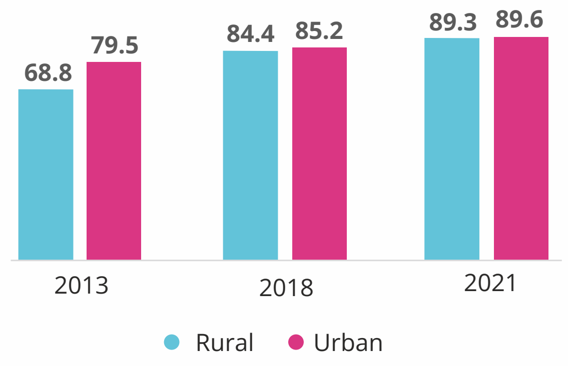
The scheme was launched in Dec'19 to improve the management of groundwater resources in select water stressed areas in identified states viz. Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh. The scheme is being taken up in 8,220 water stressed Gram Panchayats of selected seven states. 50% of funding for the scheme is being contributed by the World Bank.

2D. Financial Inclusion:

India's financial inclusion has improved significantly between 2013 and 2021 driven by government's push. In Aug'14, the government launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) to provide banking services to all households in the country. As of Mar'25, ~55 Cr PMJDY accounts had been opened, of which 67% were in rural and semi-urban areas.

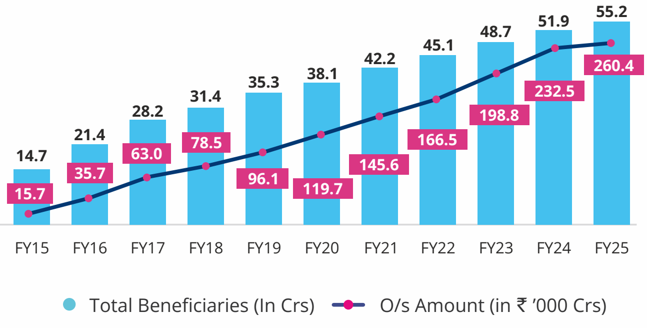
The government has been focussing on providing credit support to economically weaker section and lower income group through multiple credit/credit guarantee schemes like Pradhan Mantri MUDRA Yojna (PMMY; collateral free micro loans upto ₹ 10 lakh and overdraft facility upto ₹ 10,000), Credit Guarantee Fund for Micro Units (CGMFU; collateral free loans above ₹ 10 lakh and upto ₹ 20 lakh to Self Help Groups) etc. with the overall objective of financial inclusion.

Exhibit: Adults/ households with bank account (%)



Source: NSSO Survey Round 70, 77, and 78; NSSO Round 70 and 77 covered households; NSSO Round 78 covered individuals

Exhibit: PMJDY accounts growth

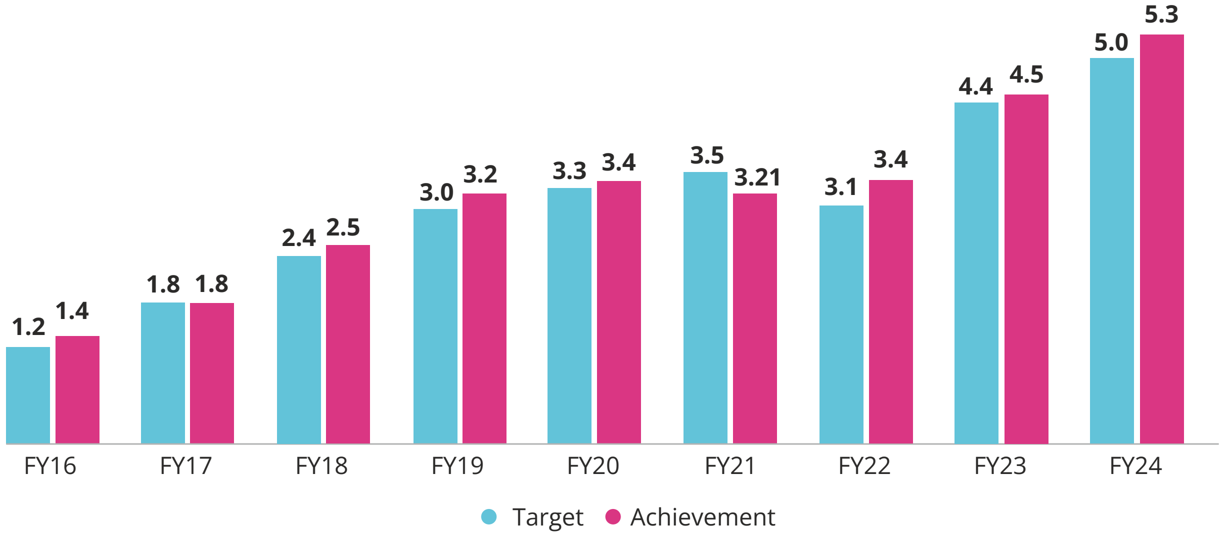


Source: PMJDY Progress reports

Management Discussion and Analysis

Exhibit: PMMY - Target vs Achievement

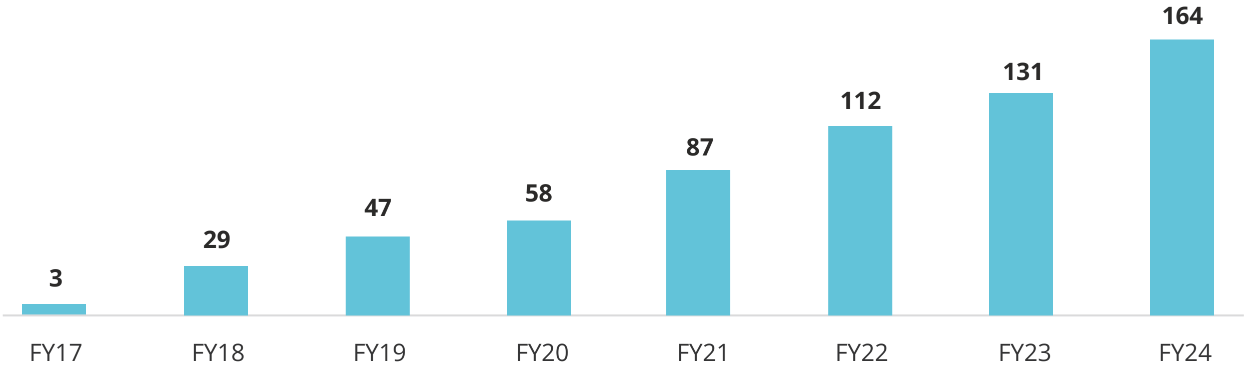
(in ₹ Lakh Crores)



Source: Mudra Annual Report FY24, Note: The data indicates targets & achievements pertaining to sanction figures for FY16 to FY22, whereas the data for FY23 & FY24 is pertaining to disbursement figures.

Exhibit: Consistent Growth in Number of Guarantees Issued Under CGMFU

(in Lakhs)



Source: National Credit Guarantee Trustee Company, Annual Report FY24; Cumulative data

Management Discussion and Analysis

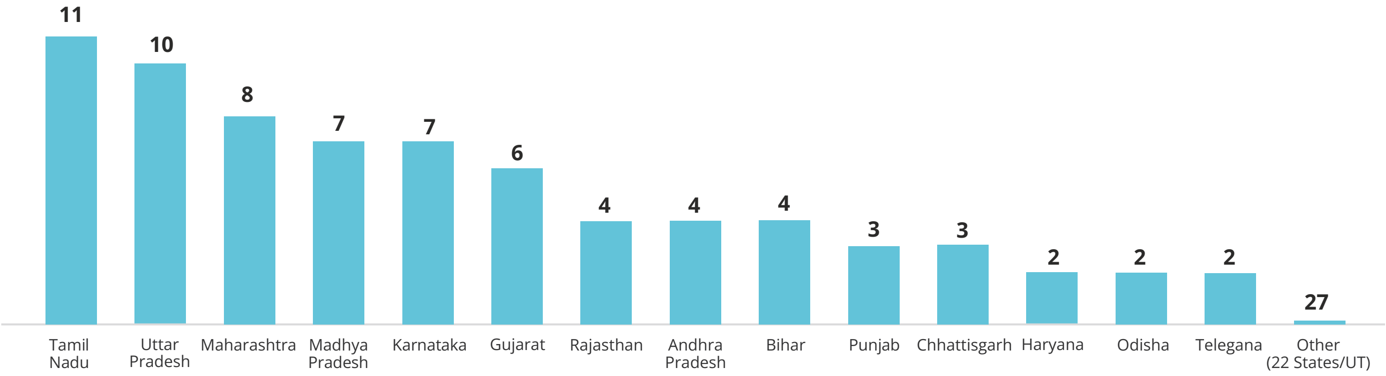
2E. Urban development:

The Government of India has been focussed towards developing urban centres to support growing industrial and services sector in the country. The government's effort includes improving transport facilities (expanding intra-city transport facilities as well as expanding and upgrading inter-city), sanitation and waste management, core infrastructure etc. Various schemes like Smart Cities Mission, National Urban Livelihood Mission, PM SVANidhi, PMAY-U, AMRUT Mission have been launched with focus on developing cities and towns as centres for growth.

2E.1. Smart City Projects:

Launched in Jun'15 with an aim of developing urban areas as centres for growth and progress. Over the past decade, more than 8,000 projects have been undertaken in 100 smart cities. As of Jan'25, around 90% of these projects have been completed with a total outlay of ₹ 1.5 lakh Crs.

Exhibit: State-wise distribution of smart cities



Source: Ministry of Housing and Urban Affairs

2E.2. Atal Mission for Rejuvenation and Urban Transformation:

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT), was launched in Jun'15, to enhance urban infrastructure and governance. AMRUT 1.0 (2015-2020) focused on basic urban services like water supply, sewerage, and green spaces in 500 cities but lacked smart technology integration. AMRUT 2.0 (2021-2026) expanded the coverage to 675 cities, ensuring universal water supply, smart water management, and sustainability. Over the past decade, ~15,000 projects with a projected outlay of ~₹ 3 lakh Crs have been sanctioned with overall works for ~₹ 1 lakh Crs being physically completed. 189 lakh tap connections have been provided with tap coverage in these cities increasing from 44% in 2011 to 70% in 2024 – targeted to be increased to 88% in five years. Sewerage coverage over the same period has improved from 32% in 2011 to 62% in 2024 – driven by 149 lakh connections including Faecal Sludge and Septage Management (FSSM) facilities.

Management Discussion and Analysis

Exhibit: AMRUT – Achievements over last decade

Sector	Physical Completion Value (₹ Crs)	Other Outcomes
Water Supply	41,470	189 lakh tap connections
Sewerage & Septage	32,119	4,429 MLD STP* capacity created
Storm Water Drainage	2,797	1,412 Km drains; 3,672 waterlogging points eliminated
Non-Motorized Urban Transport	954	-
Green Spaces & Parks	1,257	5,420 acres green space developed

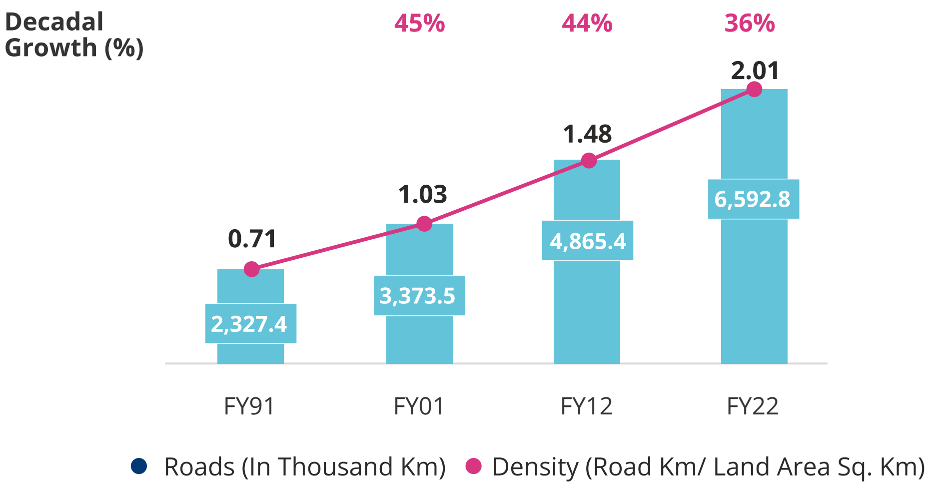
*Source: MoHUA, Annual Report FY25, *MLD: Million Liters per day; STP: Sewage treatment plant*

2F. Focus on transportation and connectivity:

There have been continuous efforts to improve the connectivity in the country across all modes of transportation.

2F.1. Roads: Over past 12 years, the road network in India has been growing at a CAGR of ~9% to ~66 lakh kms, ranking 2nd in the World, next to USA. National Highways have witnessed a growth of ~12.7% CAGR (in terms of Kms) in the same period given the continued focus on connecting states through various corridor programmes.

Exhibit: Increasing Road Connectivity

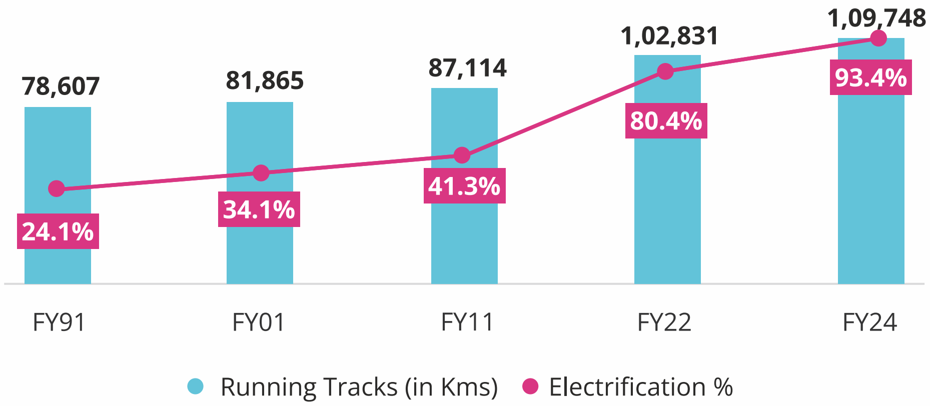


Source: Ministry of Road Transport

2F.2. Indian Railways has expanded its running tracks from 78,607 kms in FY91 to over 1,09,000 kms in FY24, showing steady growth. Railway electrification, has surged dramatically from just 24.1% (in FY91) to a remarkable 93.4% by FY24. Major focus has been towards investment in high-speed rail, specialised intercity trains like Vande Bharat, modernisation of stations, and dedicated freight corridors to transform the rail connectivity nationwide.

Management Discussion and Analysis

Exhibit: Expanding Railway Connectivity; Electrification has more than doubled in last 15 years

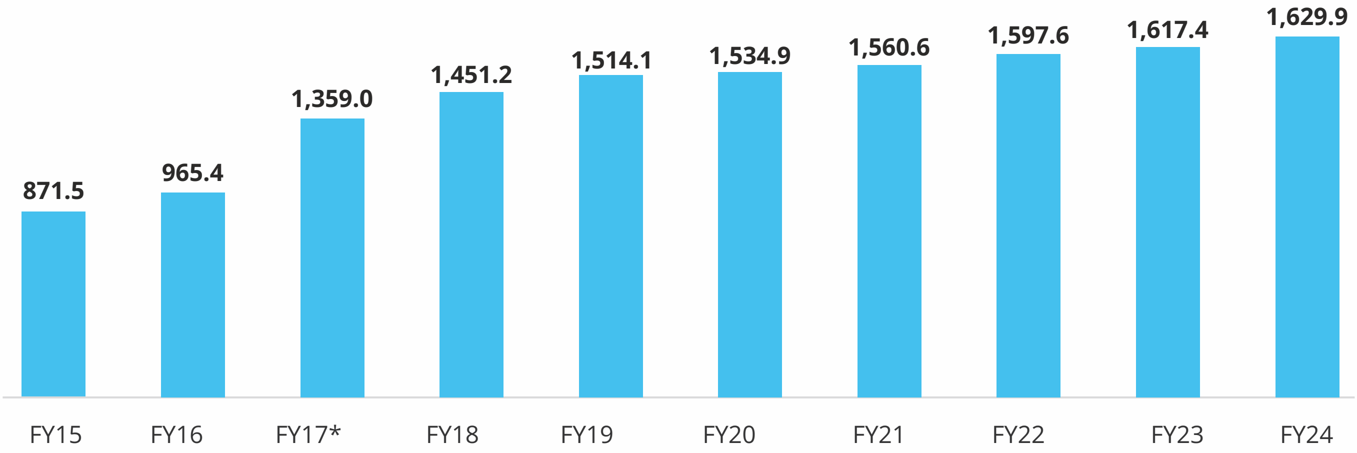


Source: Ministry of Railways

2F.3. India's port infrastructure has seen steady development over the past decade, with the total capacity at the 12 major ports rising from 872 million tonnes per annum ("MTPA") in FY15 to 1,630 MTPA in FY24, as per the Ministry of Ports, Shipping & Waterways. Major initiatives like the Sagarmala Programme have catalysed port modernization, new port development, and coastal community connectivity. Additionally, projects under the National Infrastructure Pipeline ("NIP") and the PM Gati Shakti plan are integrating port logistics with road, rail, and inland waterways, enhancing efficiency and boosting India's global trade competitiveness.

Exhibit: Increasing capacity at 12 major ports of India

(in Mn Tonnes per Annum - MTPA)



Source: Ministry of Ports, Shipping & Waterways

**The capacities of the Major Ports have been re-rated as per berthing policy 2016.*

Management Discussion and Analysis

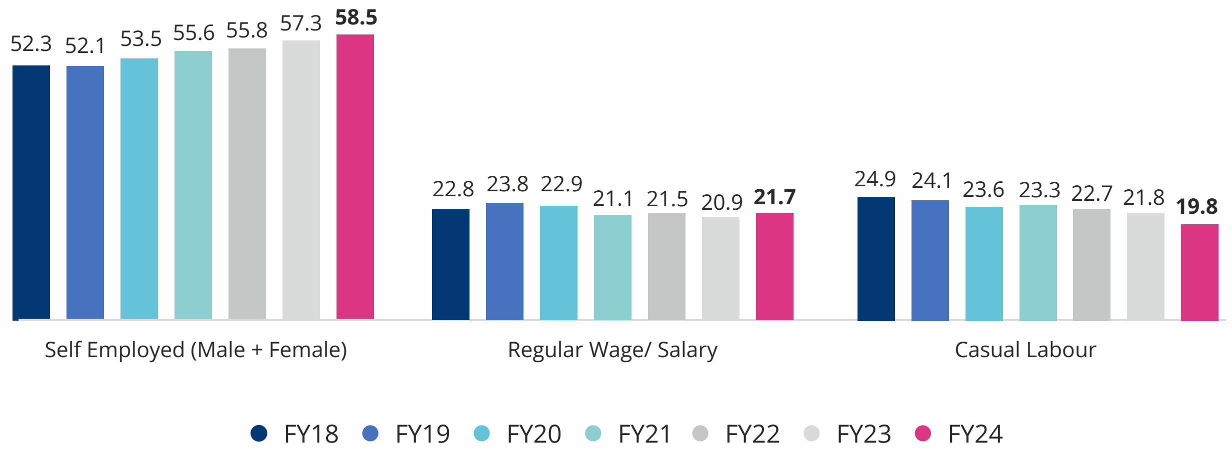
3. GDP growth and Government measures driving demand for housing finance

3A. Demographic dividend with rising working population, especially towards self-employment:

While India's population growth has started to flatten with decadal growth expected to be 9% for FY21-FY31 vs 17% for FY01-FY11, the base continues to be large with a total population of more than 140 Crs and working age population (age 15 – 59) of more than 90 Crs. The government's focus on education, promotion of MSMEs together with faster growth of industry and services sectors of the economy is driving changes in the category-wise employment status in the country with proportion of self-employed increasing over the last few years.

Exhibit: Increasing proportion of self-employed

(in%)



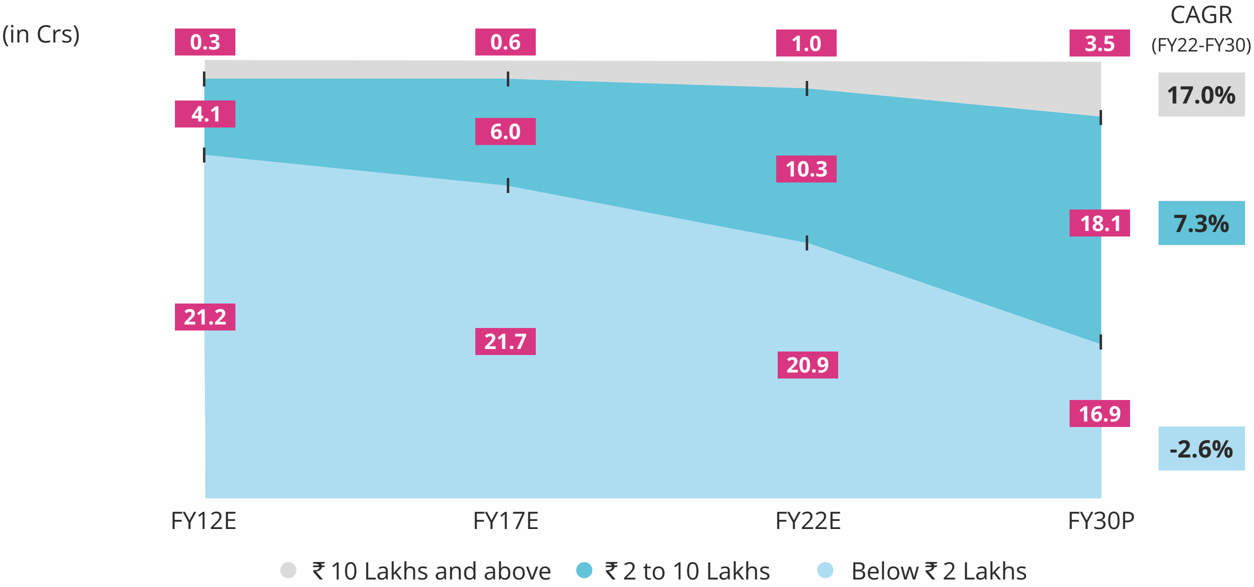
Source: Annual Periodic Labour Force Survey FY24, MoSPI

3B. Rising "Middle Class" in Indian society:

The proportion of "Middle India" (defined as households with annual income of ₹ 2 lakhs to ₹ 10 lakhs) has been on the rise over the past decade and is expected to continue increasing with rising GDP and household incomes. Crucial factors facilitating the transition of low-income groups to middle-income groups have been (a) financial inclusion, (b) rising employment opportunities, and (c) rising disposable income.

Management Discussion and Analysis

Exhibit: Middle India households projected to witness CAGR of 7% between FY22 to FY30

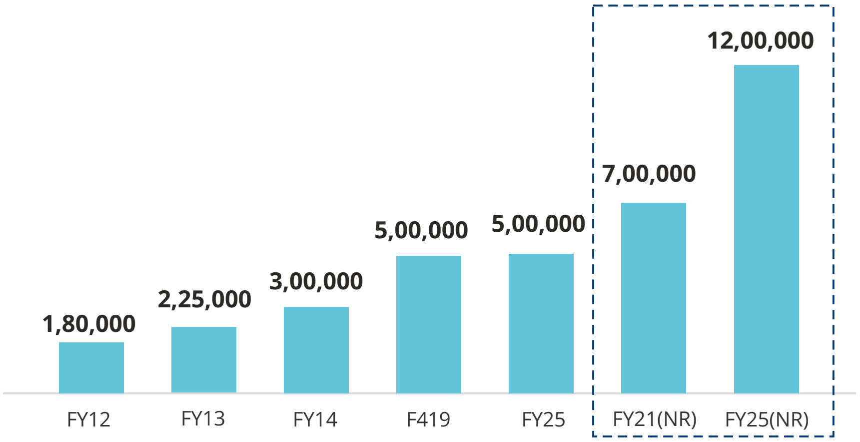


Note: E: Estimated, P: Projected; Source: Crisil Report

Personal Income Tax easing to boost disposable income:

The Union Budget 2025 increased the tax exemption limit from ₹ 7 lakhs to ₹ 12 lakhs providing tax savings of up to ~ ₹ 80,000 annually for an individual earning ₹ 12 lakhs which is ~6.7% of the annual income. With the increasing level of savings in hand of households, there is a likely boost consumption as well improve affordability to own assets and is expected to be supportive to the overall housing ecosystem.

Exhibit: Consistent increase in tax exempt earnings for Individuals driving disposable income (in ₹)



Source: Income Tax Department, GOI. Note – NR represent New Regime and tax-exempt earnings represent the basic exemption limit, including rebate

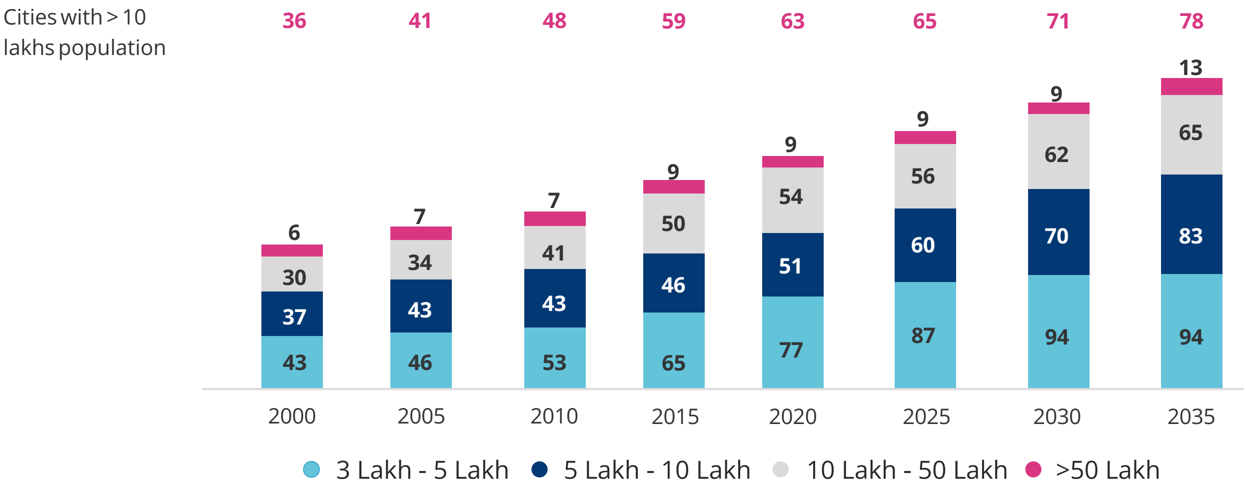
Management Discussion and Analysis

3C. Increasing urban population:

Urbanization is one of India's most important economic growth drivers and arising out of faster growth in industry and services vis-à-vis agriculture; backed by several government initiatives. It is expected to further drive substantial investments in infrastructure development, which in turn is expected to create jobs and impact consumer behaviour / aspirations.

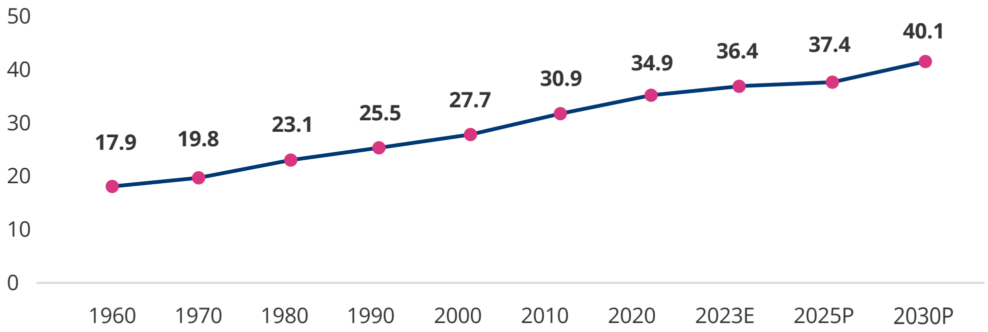
India's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India's total population in 2023. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 40% by 2030. Moreover, an examination of the trend in cities with a population exceeding 10 lakhs over the past few decades reveals a significant increase, with the number nearly doubling from 36 in 2000 to 63 in 2020. This upward trajectory is expected to continue, with the number projected to reach 78 by 2035, thereby driving demand for urban housing.

Exhibit: Increasing count of cities with >10 lakhs population



Source: CII – UN.org

Exhibit: Urban population as a percentage of total population (%)



Note: E- Estimated, P – Projected, Figures in percentage, Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

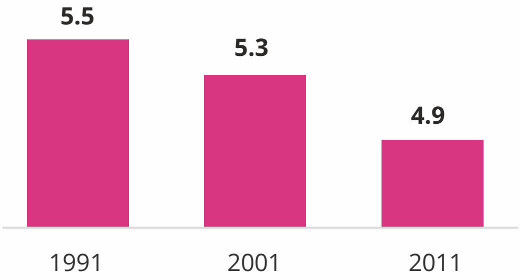
Management Discussion and Analysis

3D. Reducing size of households:

The increasing trend of migration to urban areas is driving formation of multiple single families out of one large joint family. Each family lives in a separate house, while the ancestral house may be retained or partitioned to buy new houses. This is further being highlighted in urban areas driven by changing lifestyle of people, individualism, and changing social/cultural attitudes.

Exhibit: Trend in average household size

(in numbers)



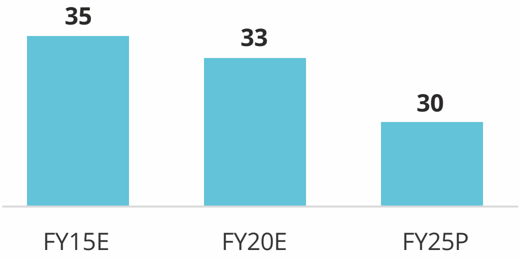
Note: Census 2011, Crisil Intelligence

3E. Reducing age of borrowers:

The improving income curve along with availability of credit is driving consumer aspirations and demand for housing. Reducing age of home borrower highlights this fact. Further, it also aids in loan eligibility as it facilitates longer loan tenors leading to lower EMIs.

Exhibit: Reducing age of borrowers enhances financing opportunity

(in years)



Note: E – Estimated, P – Projected, Source: Crisil Intelligence

Management Discussion and Analysis

4. Under penetration and robust demand to ensure sustained growth of housing finance

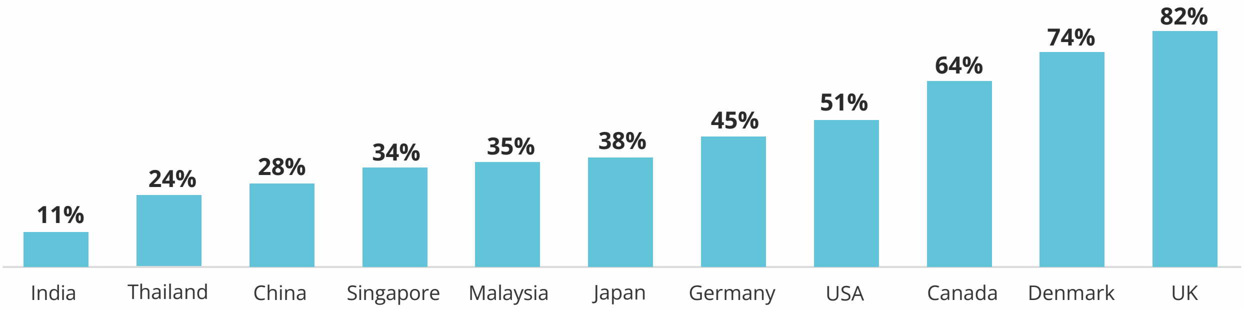
Housing is a fundamental need of human existence. A house is not merely a place to live and build a life; it is also one of the most significant assets for a family. An investment in a house roots a family to a location, contributing significantly to the economic and social development of the local area. In India, with a vast and growing population and with the backdrop on ongoing urbanisation, nuclearization of families, increasing investments in education and women upliftment, rising consumer aspirations with growing middle-class and improvement in underlying socio-economic parameter, owning a decent home continues to be a lifelong aspiration for many. As per studies, two-third of Indians express a strong intention to purchase a home, with millennials (age 28-40) leading the charge.

However, despite the constant focus on the housing segment, housing in India remains far from adequate. The shortage of housing in India has been a perpetual problem. The shortage in urban housing is largely due to congestion and shortage in rural housing is due to non-serviceable and kutcha house (low quality house) followed by congested houses.

Affordable housing has been a long-standing challenge not only in India but worldwide. As per report by the World Economic Forum, globally 1.6 billion people lack adequate housing and this is estimated to grow to 3 billion by 2030. Factors such as rapid urbanisation, decline in public housing, lack of state interventions etc. are some of the factors impacting the widening gap in affordable housing segment across the countries. As the most populous country experiencing the fastest pace of urbanisation, India is likely to witness significant demand for affordable housing in the coming years.

One of the key ownership methods for houses is through home loans (i.e. mortgages). Mortgages have become a popular means of facilitating the purchase of a house across all segments – even though the needs and product requirements vary significantly across the segments. India has a very low mortgage-to-GDP ratio compared to other countries, indicating an untapped potential for growth in the housing finance sector. Despite being one of the fastest-growing major economies, India's housing finance market remains under penetrated, with a significant portion of the population lacking access to formal credit channels. The dynamics of housing finance are evolving with changes in socio-economic fabric like rising per capita income, increasing urban population, reducing size of households, reducing age of borrowers, increasing formalisation of economy with financial inclusion and digital records, increasing usage of technology in sourcing and underwriting and more. These changes are expected to boost mortgage-to-GDP ratio – paving foundation for sustained growth in housing finance.

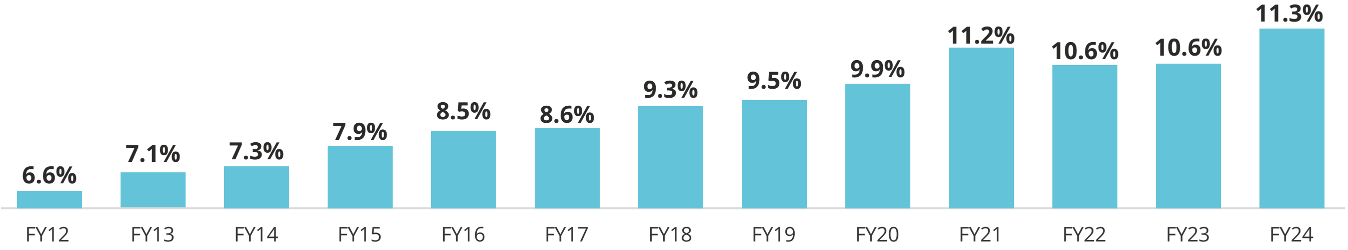
Exhibit: Mortgage-to-GDP ratio in India (FY24) compared with other countries



Source: European Mortgage Federation as of CY23: Singapore, Germany, USA, Canada, Denmark, Japan (as of CY21) and UK. Housing Finance Information Network: China (as of 2017), Thailand (2018), Malaysia (2018). India: Experian, Ministry of Statistics and Programme Implementation, Crisil Report

Management Discussion and Analysis

Exhibit: Trend of Mortgage to GDP ratio



Source: NHB, Company workings

4A. Large Total Addressable Market for Affordable Housing Finance

A significant (about two-third) investment in real-estate and ownership dwellings is met through finance from various lending institutions. In our "Annual Report 2024", we had estimated 10 years cumulative disbursement opportunity size at $ 355 bn (₹ 29 lakh Crs) basis the volume trends in ₹ 5-25 lakh ticket housing finance loans (annual demand of 20 lakh units) and average ticket size of ₹ 11,30,000 (with 5% annual growth). As per Dec'24 report on "Affordable Housing in India" by CII – Knight Frank, the cumulative affordable housing shortage in India is projected to reach 312 lakhs by 2030, with the market size estimated at ₹ 67 lakh Crs. Based on an assumption of a 77% loan dependency and Loan-to-Value (LTV) ratios applied at various loan thresholds, the potential financing opportunity for banks and Housing Finance Companies (HFCs) in the affordable housing segment is estimated to be ₹ 45 lakh Crs by 2030 – with two-third (~₹ 29 lakh Crs) of this coming from LIG and EWS segment.

Exhibit: Assessment of financing opportunity for affordable housing consumer loans

	Housing Shortage	Average cost of dwelling	Market Size	Potential Market	Financing Opportunity
Section	(Units in Lakhs)	(₹ Lakhs)	(₹ Lakhs Crs)	(₹ Lakhs Crs)	(₹ Lakhs Crs)
EWS	150	12	17.4	13.4	11.8
LIG	109	23	25.2	19.4	17.2
MIG	53	46	24.6	18.9	15.6
	312		**67.1**	**51.6**	**44.6**

Source: "Affordable Housing in India" by CII – Knight Frank, Dec'24; 77% loan dependency; 90% & 80% LTVs

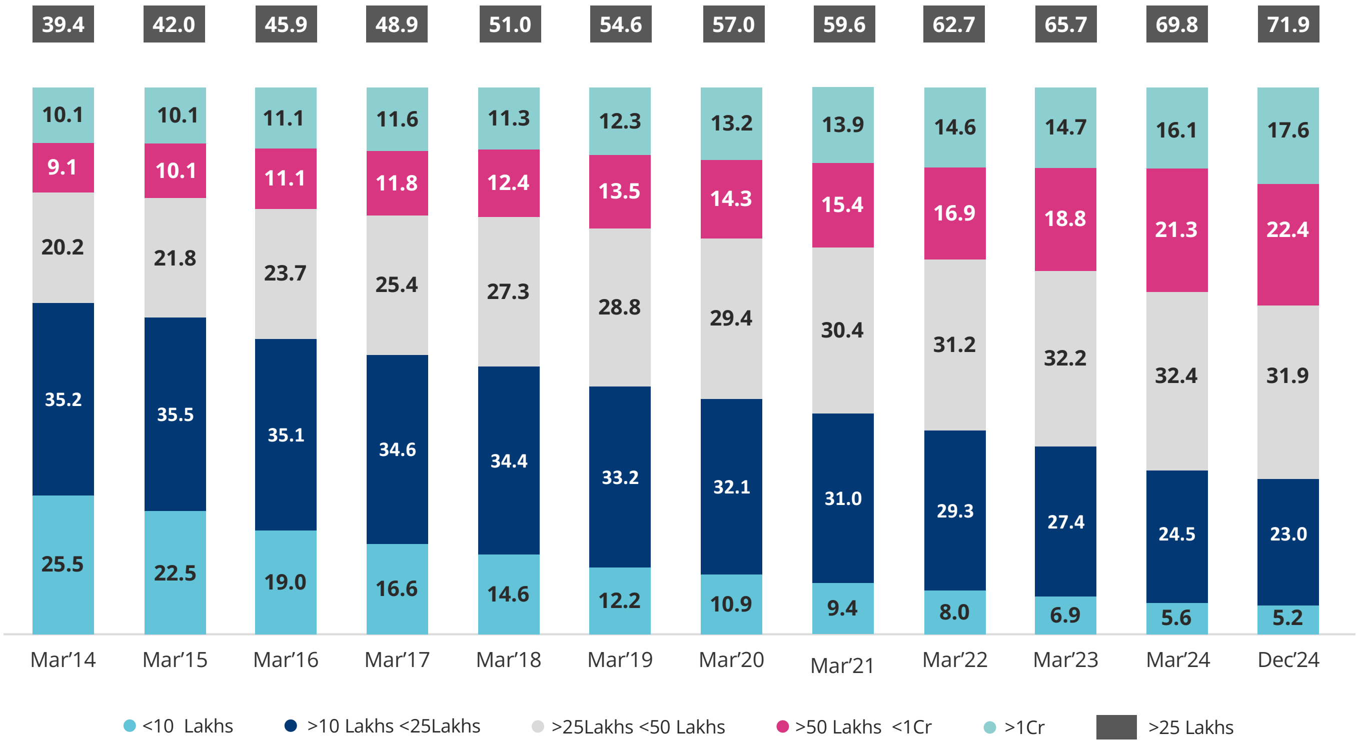
Due to the substantial variations in the underlying consumer profile, the housing sector experiences a distinct landscape for various segments. The income profile across segments varies materially not just in terms of the income level but also the predictability and sources of income. Given these differences, specialized providers – both on development and financing side – have emerged to cater to the unique needs in the different segments. The housing finance market is relatively well-served in the MIG+ segment by commercial banks and some larger and more matured housing finance companies while Affordable HFCs focus largely on LIG and EWS. To support the argument, we retrieve data from RBI's repository on ticket-size wise housing finance by banks. It is observed that banks are focused on high ticket size loans which is evident from

Management Discussion and Analysis

the rising share of higher than ₹25 Lakhs ticket size loans in their portfolio – increased from 39.4% as of Mar'14 to 71.8% as of Dec'24. In Mar'25, the regulator has revised PSL definition for most asset categories expanding the ticket sizes to adjust for inflation. The PSL definition for housing has been increased from ₹35 Lakhs earlier to ₹50 Lakhs. This shall help banks to continue their focus on the larger ticket loans within MIG+ segment.

Exhibit: Banks are focused on higher ticket size segment – contribution of > ₹25 lakh ticket size increasing in total AUM

(in %)

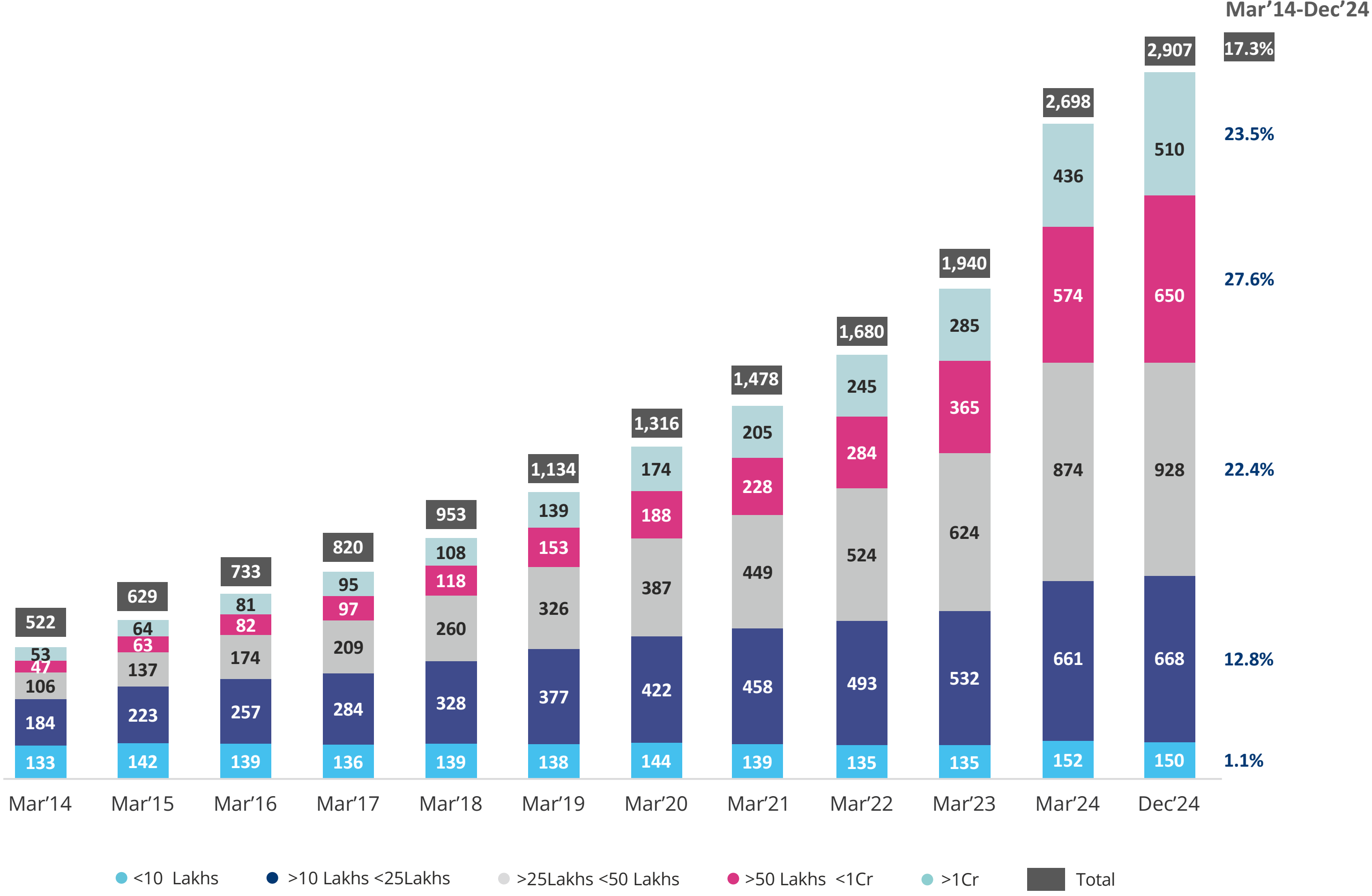


Source: RBI

Note: Data for Scheduled Commercial Bank only; Mar'24 impacted by merger of HDFC – HDFC Bank

Management Discussion and Analysis

Exhbit: Banking Sector's Outstanding Housing AUM in various ticket size (₹'000 Cr)



Source: RBI

Note: Data for Scheduled Commercial Bank only; Mar'24 impacted by merger of HDFC – HDFC Bank

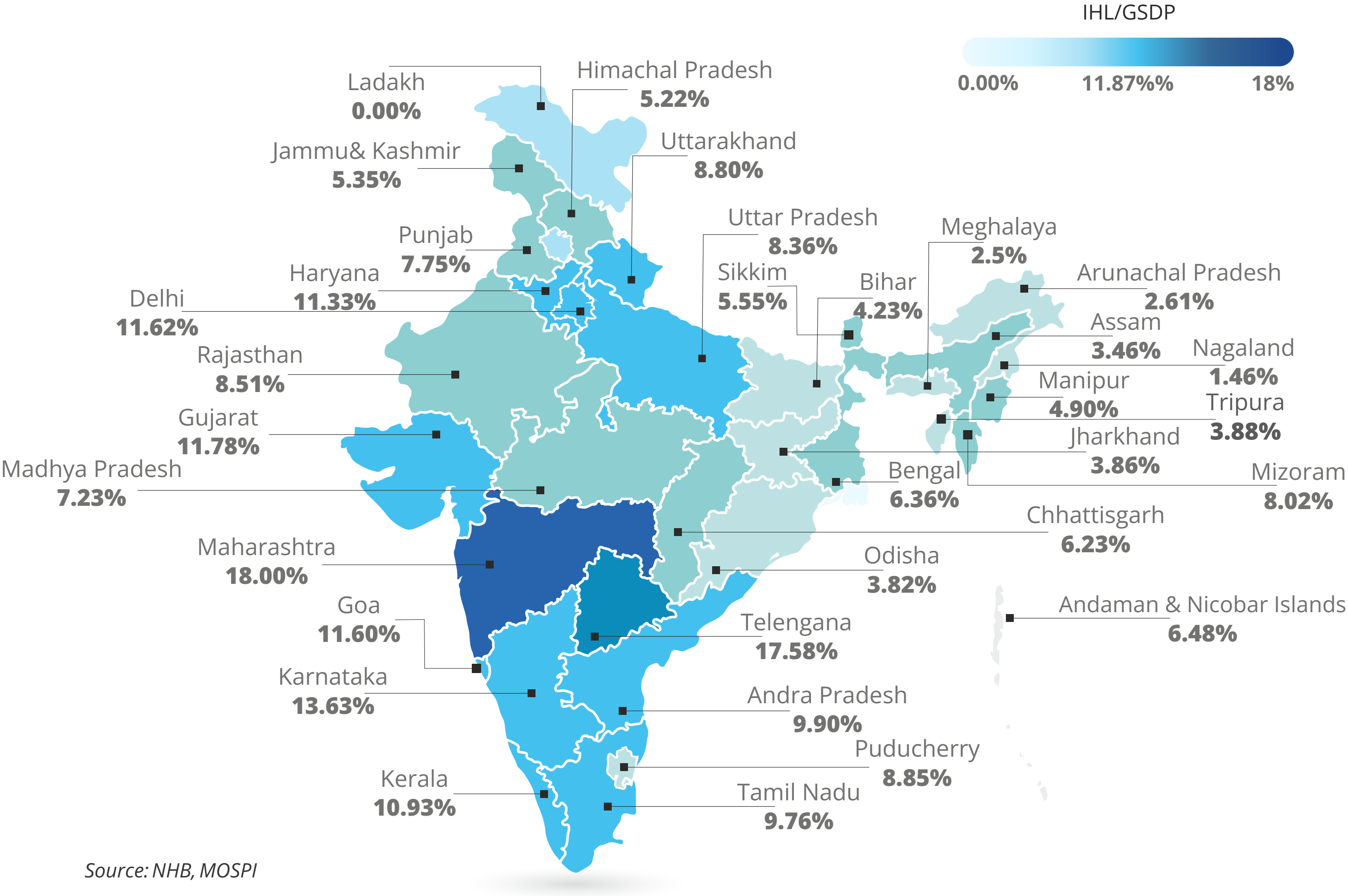
Management Discussion and Analysis

5A. Building blocks of housing finance penetration across states

As per NHB Annual Report 2024, the national average of Outstanding Individual Housing Loan to GDP ratio stood at 11.3% as on Mar'24. The states with higher industrial activities, urbanisation, per-capita income, and GDP growth have higher mortgage-to-GDP ratio.

Exhibit: All states do not have same level of housing finance penetration

Ratio of IHL O/S to Gross State Domestic Product as on Mar'24



Source: NHB, MOSPI

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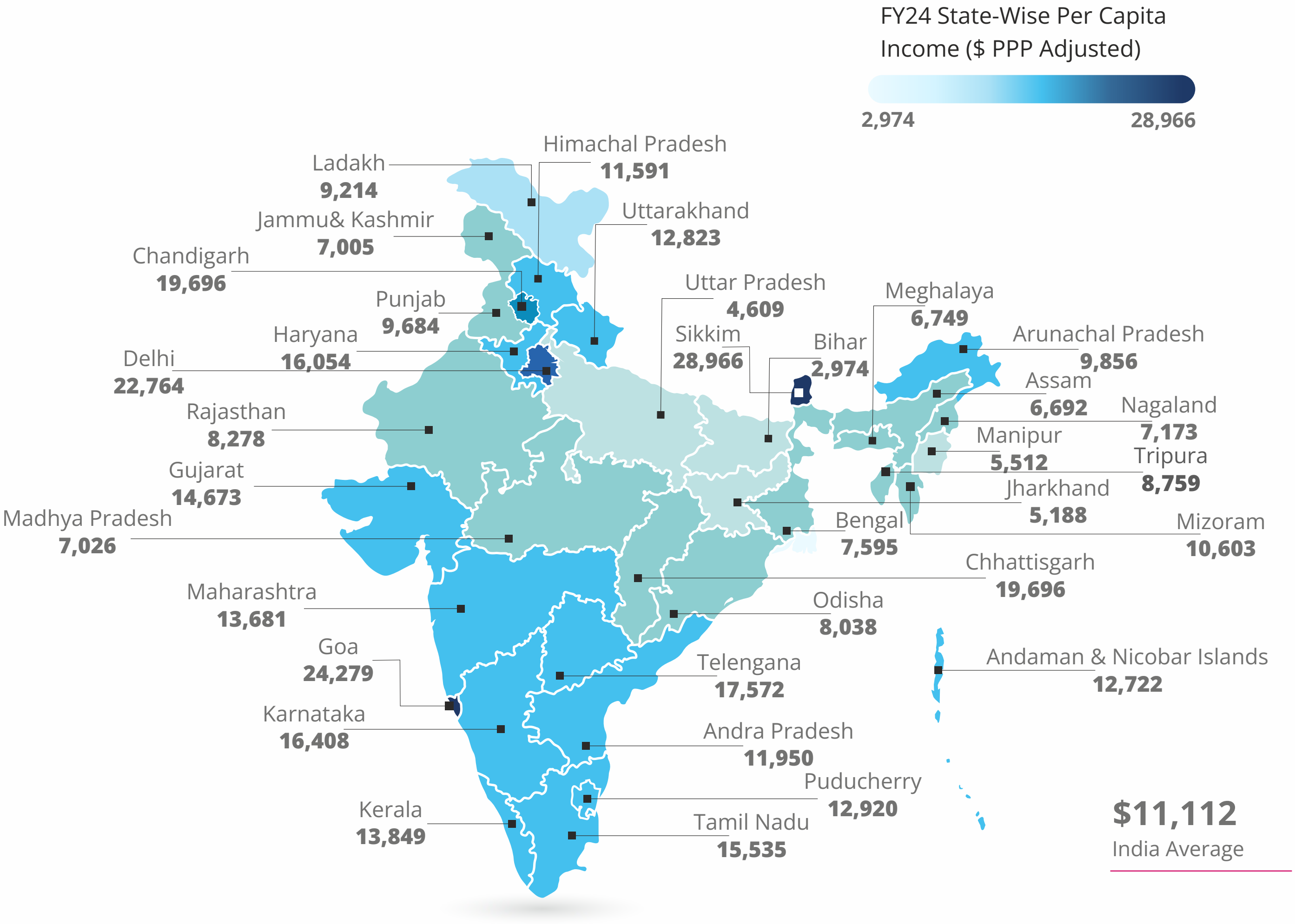
Exhibit: State-wise Per Capita Income ($ PPP Adjusted for FY24)



Source: MOSPI, $ PPP calculated as per IMF World Economic Outlook Oct'24

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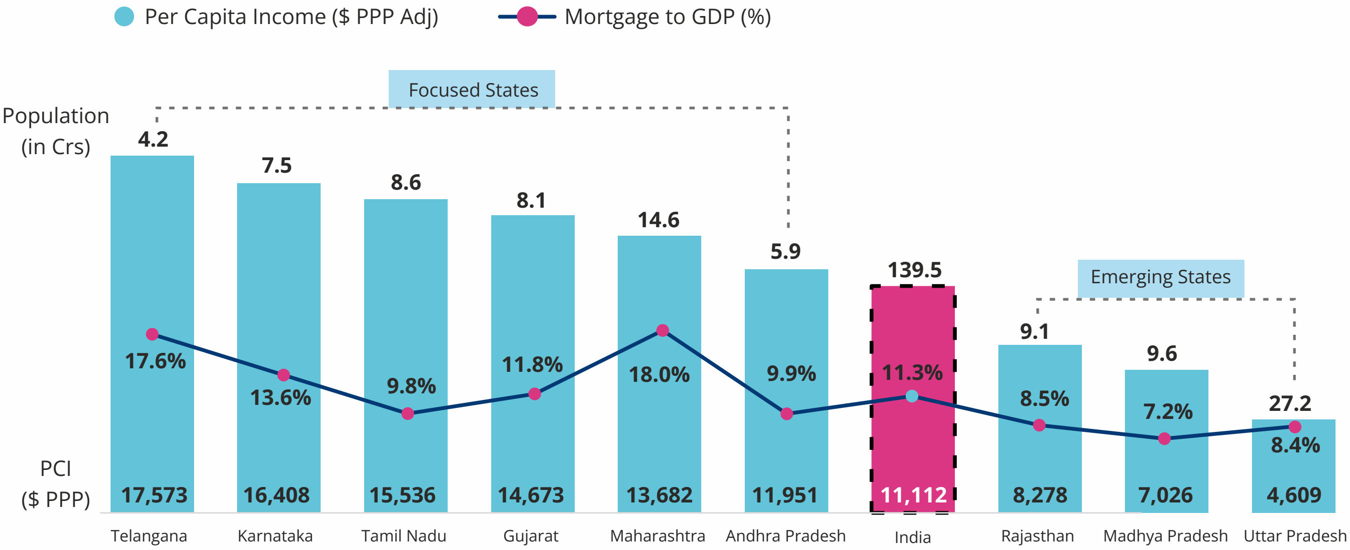
In the exhibit below, we have tried to overlay state-wise per-capita income and mortgage-to-GDP ratio. We find that there is a correlation between the two as states with higher per capita income also witness higher mortgage-to-GDP ratio.

Exhibit: Overlaying Per Capita Income and Mortgage penetration in Key States suggests high corelation



Source: MOSPI, IMF, NHB, Company workings

To better understand the corelation between economic activities and penetration of housing finance in India, we have presented a grid (refer Exhibit: Deducing the states of India on various frontiers/ Selective expansion in states where the foundations of change are strong) bifurcating HomeFirst focus states (Gujarat, Maharashtra, Tamil Nadu, Telangana, Andhra Pradesh, and Karnataka), HomeFirst emerging states (Madhya Pradesh, Rajasthan, and Uttar Pradesh) and others on select parameters.

Management Discussion and Analysis

Exhibit: Deducing the states of India on various frontiers/ Selective expansion in states where the foundations of change are strong

Demographics	**Population**	67%	31%	29%	7%	33%	*Of the ~140 Cr population as of Mar'24, our states represent 67% of the population*
Demographics	**No. of Households**	66%	36%	24%	6%	34%	*Of the ~29.2 Cr households as of FY24, our states represent 66% of the population*
Demographics	**Persons per Household**	4.8	4.2	5.8	5.1	4.7	*Average Household size of emerging states to follow the nuclearization trend of focus states*
Development and Growth prospects	**State Gross Domestic Product**	76%	48%	18%	10%	24%	*76% of the India's GDP contribution is from states of our presence*
Development and Growth prospects	**Exports**	86%	70%	9%	7%	14%	*Of the ~36.2 lakh Crs of exports in FY24, 86% of the exports were from the states of our presence*
Development and Growth prospects	**State Capital Outlay**	70%	35%	29%	6%	30%	*Of the overall state capex in FY24, around 70% was in the states of our presence*
Development and Growth prospects	**Smart cities**	66	38	21	7	34	*Of the 100 smart cities, 66 of the smart cities are from the state of our presence*
Formalisation	**Registered MSMEs***	72%	42%	23%	7%	28%	*Of the total 3.2 Cr registered MSMEs* employing ~25.2 Cr people, 72% are located in our states*
Formalisation	**Active GST registrations**	76%	41%	23%	12%	24%	*Of the 148 lakh activeregistrations, 76% of the active registration are from the states of ourpresence*
Formalisation	**EPFO Subscribers**	86%	59%	10%	17%	14%	*86% of the registered EPFO members are from the states of our presence*
Income Growth	**Per capita GDP** *(3 Yrs CAGR)*	14.6%	15.1%	14.2%	13.4%	13.9%	*Per capita income growth higher than national average in our focus & emerging states*
Housing & Housing Finance Market	**PMAY Support** *(Completed houses)*	83%	47%	31%	5%	17%	*Of the 88 lakh completed houses under PMAY support, 81% was from the state of our presence*
Housing & Housing Finance Market	**Affordable Housing Finance**	81%	52%	21%	8%	19%	*Our states accounted for 81% of FY24 disbursements in affordable housing space*

■ Our Presence across 13 States/UT
■ 6 Focus
■ 3 Emerging
■ 4 Other
■ Non Present States/UT

Sources – MOSPI, DPIIT, HCES Report, Budget documents, Ministry of MSME, Ministry of Finance, Ministry of Commerce and Industry, Experia; Number in brackets represent count of States/ UTs

** Launched on 1st Jul'20, the Udyam Portal replaced Udyog Aadhaar to provide a single-window system for MSME registrations and availment of other benefits like the access to Priority Sector Lending (PSL) benefits. Its scope was expanded on 11th Jan'23 with the Udyam Assist Platform to include Informal Micro Enterprises, resulting in a significantrise in registrations.*

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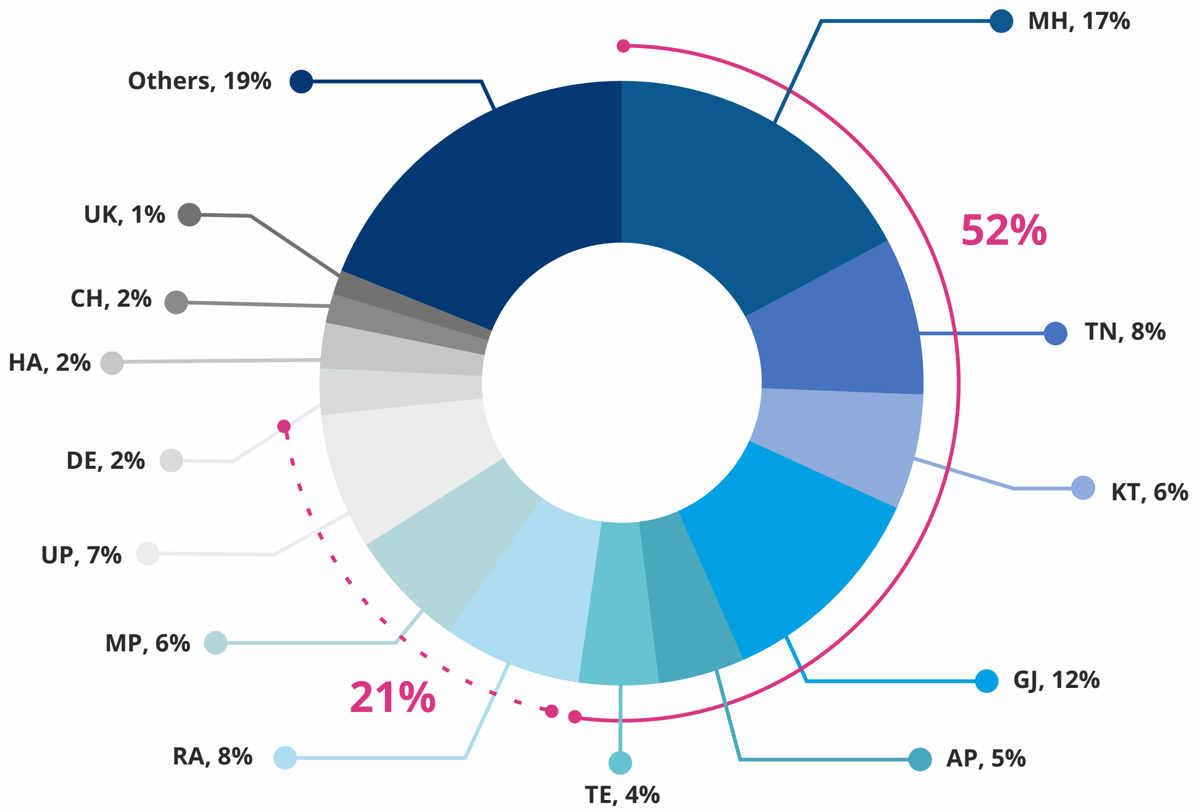
5A.1. HomeFirst states account for ~80% of affordable housing finance market in India

GDP growth in India has been non-linear across states with few states depicting higher growth and investments. Western states of Maharashtra and Gujarat and the southern states of Tamil Nadu, Karnataka, Telangana, and Andhra Pradesh stand apart on the grid. These are our "focus states" and represent 52% of total affordable housing disbursement in the country in the ticket size of ₹ 5 Lakhs to ₹ 25 Lakhs as of FY24. We believe the states of Uttar Pradesh, Madhya Pradesh and Rajasthan are emerging large markets for HomeFirst representing 21% of total affordable housing disbursement in the country, as of FY24.

Exhibit: HomeFirst states represent ~80% of the Total Addressable Market (TAM) for Affordable Housing finance based on FY24 originations



Source: Mar'24 data, Experian; Note: MH - Maharashtra, TN - Tamil Nadu, KT - Karnataka, GJ - Gujarat, AP - Andhra Pradesh, TE - Telangana, RA - Rajasthan, MP - Madhya Pradesh, UP - Uttar Pradesh, DE - Delhi, HA - Haryana, CH - Chhattisgarh, UK - Uttarakhand

Management Discussion and Analysis

5B. HomeFirst Emerging States building strong foundation with growth potential

In this section, we present Gujarat as an example of how consistent investments in capex and industrialisation aka manufacturing supported by policy measures and fine execution helped the state to grow faster than the national average. Also, we draw inference for our "emerging states" i.e. Uttar Pradesh, Madhya Pradesh and Rajasthan which are witnessing rising trend in per capita income, parallel to where states like Gujarat or Maharashtra were 10 years back.

5B.1. Gujarat: Policy fore-sight, investments in core infrastructure, industrial corridors & MSMEs

Over past 20+ years, Gujarat has strategically leveraged capex-led industrial projects to drive sustained economic growth. A key catalyst has been the improved connectivity with financial hub through the Delhi-Mumbai Industrial Corridor (DMIC), with six of its 24 nodes located in Gujarat. Complementing this, mega infrastructure projects like the Mumbai-Ahmedabad High-Speed Rail, Dholera Special Investment Region (D-SIR), Mandal Becharaji Special Investment Region (MBSIR), Gujarat International Financial Tech (GIFT) City, Diamond Research and Mercantile (DREAM) City, Sanand Industrial Hub (known for automotive manufacturing centre), Valsad-Vapi Industrial Cluster (known for textiles, pharmaceuticals, and textiles), have bolstered the state's position as an industrial hub.

The Gujarat Industrial Policy 2015 and 2020 provided various schemes supporting growth in investments like Market Development Assistance Scheme, Scheme for Assistance for Industrial Infrastructure, Aatmanirbhar Gujarat Scheme for assistance to MSMEs etc. The capital investments subsidies of up to 15% of Fixed capital investments and the interest subsidies of up to 7% for 5 years, specially to MSMEs, resulting in a 60% increase in MSMEs from FY15 to FY18—now over 35 lakh units. During FY25, the Aatmanirbhar Gujarat Scheme for assistance to MSMEs saw expenditures of ~ ₹ 1,480 Crs and the FY26 allocation is expected to further increase ~₹ 1,550 Crs.

Some of the key development schemes undertaken by state governments include:

- Among the early states to focus on renewable energies with first wind policy in FY93 and solar policy in FY09. Over years, the state continued to focus on developing renewable energy resource; FY21 being a landmark year with the Gujarat Hybrid Renewable Energy Park or Khavda Solar Park proposal being approved. The project is expected to be completed in FY27 and generate 30GW renewable energy (both wind and solar).
- Swarnajayanti Shaheri Vikas Yojana was launched in FY10 targeting urban civic infrastructure.
- In FY18, ₹ 14,895 Crs (8.7% of total budget expenditure) was allocated towards Narmada, Water Resources, Water Supply and Kalpasar division to improve water resources in the state. This included ₹ 4,018 Crs (2.3% of total budget expenditure) allocated for the construction of minor canals in the Sardar Sarovar Canal project and ₹ 3,311 Crs (1.9% of total budget expenditure) towards water supply projects.

Today, the state is one of India's most dynamic economic frontiers, balancing industrial robustness with policy foresight. Over the past decade, the state has clocked a GDP CAGR of ~11.6%, growing from ₹ 8.07 lakh Crs ($ 132 bn) in FY14 to ₹ 24.3 Lakh Crs ($ 288 bn) in FY24. It contributes a massive 31% of India's total exports, underscoring its role in global trade. Petroleum products, engineering goods, pharma & chemicals, gems & jewellery form 80% of total export.

The state has built a brand under "Vibrant Gujarat" to hold global investor summits and invite private investments driven by the context set by the government investments and policy making. The first summit was held in FY04 with total MoU worth ₹ 55,000 Crs which reached to ₹ 25 Lakh Crs in the seventh edition in FY15 and to ₹ 45 Lakh Crs in FY24. The investments

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The state's performance in FDI is equally compelling — attracting $ 20 bn between Apr’21–Dec'24, ranking third nationally. Gujarat’s industrial base in chemicals, automobiles, electronics, and pharmaceuticals continues to attract global investors. Anchoring the future is the Dholera Special Investment Region (D-SIR), envisioned as a world-class industrial hub.

Infrastructure forms the foundation of Gujarat’s rise. With 84,188 km of roads (density of 0.43 km for per km^2 area), and ₹ 16,816 Cr allocated in FY24 (5.5% of total budget expenditure) for further urban-rural connectivity, the state also benefits from cutting-edge freight logistics, including dedicated freight corridors and the upcoming bullet train project. In power generation, Gujarat has increased its capacity from 28 GW (FY14) to 45.3 GW (FY24), clocking a CAGR of ~5%, with a strong renewable push via the Gujarat Solar Policy.

Gujarat’s telecom and digital coverage is expansive with 564 lakh subscribers as of Mar’24. Its cities — Ahmedabad, Surat, Rajkot, Vadodara, Gandhinagar, and Dahod — are part of the Smart Cities Mission, fostering digitization, green energy, and clean infrastructure.

In social infrastructure, Gujarat has achieved a literacy rate of 82.4%, among the highest in India, with an education budget of ₹ 3,000 Crs in FY25. On healthcare, the state boasts 1,717 Primary Health Centers and 9,132 Sub-Centres, supported by a ₹ 19,348 Crs allocation in FY25 (5.8% of total budget expenditure).

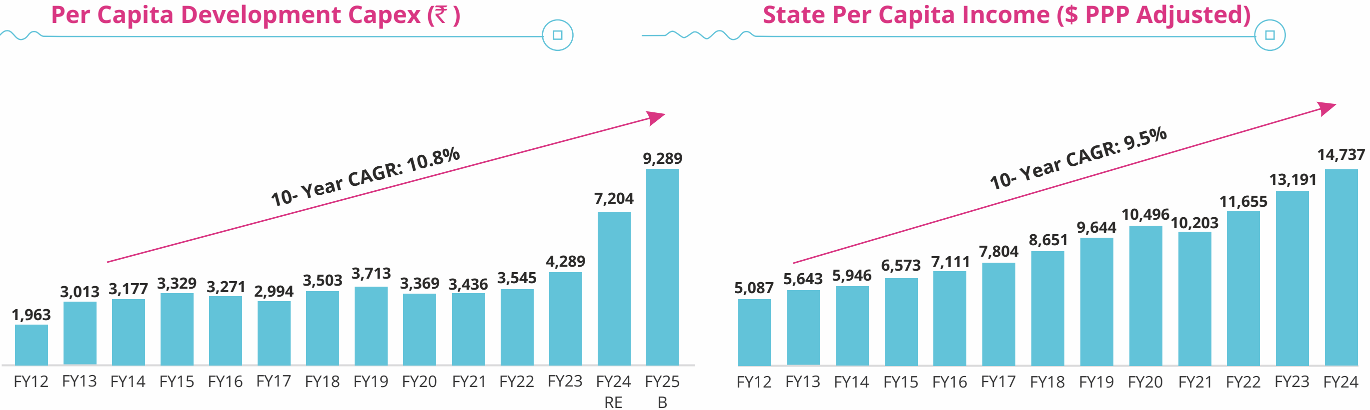
Tourism has seen a surge — from 4.5 Cr tourists in FY17 to 13.6 Crs in FY23, driven by promotion of coastal, heritage, and religious circuits like Dwarka, Somnath, and the Rann of Kutch.

Key policies propelling Gujarat’s growth include:

- Gujarat Industrial Policy, 2020
- Gujarat Electronics Policy, 2022
- Other policies: Solar Policy, Garment Policy, Start-up Gujarat, Logistics Policy

Besides allocation of state and private capex, execution remains the key for a state to convert the capex into a

Exhibit: Gujarat witnessed significant increase in capex and per capita income over FY12-FY24



Source: State Budget Documents, RBI e-Database on state finances, MOSPI, WEO for $ PPP conversion factors;

Note: FY24 capex is based on revised estimate, FY25 is budgetary estimate

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5B.2. HomeFirst Emerging States at inflection point with investments made in socio-economic infrastructure and rapid GDP expansion

Our Emerging States – Uttar Pradesh, Madhya Pradesh, and Rajasthan – have been actively investing in infrastructure with state focussing on developing core infrastructure like transportation, ports, energy, and industrial zones. Also, these states are attracting private investments through various policies, incentives, and summits. Another common feature among these states is developing tourism and promoting exports. We have tried to list some of these efforts here to highlight how our Emerging States have fared against the national averages on key parameters and what builds in our confidence to target growth in coming years.

5B.2.1. Uttar Pradesh – Rising growth powerhouse

Uttar Pradesh ("UP") is undergoing a silent transformation, emerging as one of India's fastest-growing states. With a GDP of ₹ 25.5 lakh Crs ($ 300 bn) in FY24 and a 10-year CAGR of ~10.5%, it now edges past Gujarat in scale. The state has registered $ 1.3 bn in FDI (Apr'21–Dec'24), reflecting investor confidence and policy success.

Up's exponential rise in exports (₹ 1.7 lakh Crs in FY24) showcases diversification beyond agriculture — into electronics, defence, and logistics. The Noida Electronics Manufacturing Zone and UP Defence Corridor are flagship initiatives aimed at boosting industrial employment.

Infrastructure has received a massive boost. Although UP has total roads of 4.2 lakh km (density of 1.75 km for per km^2 area), the ₹ 36,223 Crs budget for FY24 (5.2% of total budget expenditure) is driving expressway development and rural connectivity. The Ganga Expressway, Purvanchal Expressway, and Bundelkhand Expressway are redefining internal logistics. In railways, UP is revamping major junctions under the Amrit Bharat Scheme.

Its power generation has doubled over the decade from 19 GW to 36.5 GW (2024), with a CAGR of ~6.7%. The state has the largest telecom base in India — 1,666 lakh wireless and 17 lakh wireline connections — and 10 smart cities under the central mission.

Socially, UP is improving steadily. Literacy is at 69.7%, and the government has allocated a substantial ₹ 49,000 Cr FY25 towards education budget (6.7% of total budget expenditure). Healthcare too has received momentum with 2,919 PHCs and 20,781 Sub-Centres, and a massive ₹ 42,774 Cr health allocation in 2025 budget (5.8% of total budget expenditure).

Uttar Pradesh has 10 cities of the total 100 under Smart City Mission – giving a major uplift to these centres of growth. Major thrust is upon urban mobility and infrastructure modernization:

- Lucknow: Implementation of smart traffic management and e-governance services.
- Agra: Development of heritage conservation projects and smart tourism infrastructure.
- Varanasi: Focus on riverfront development and smart healthcare facilities.
- Kanpur: Initiatives for industrial development and smart mobility solutions.

Other Smart Cities include Jhansi, Prayagraj (Allahabad), Aligarh, Bareilly, Moradabad, and Saharanpur with focus on development of health and senior care facilities, heritage and lake conservation, integrated command centers, roads with underground utilities, city beautification under thematic projects, and improved health and waste services using Smart Health ATMs and composting solutions.

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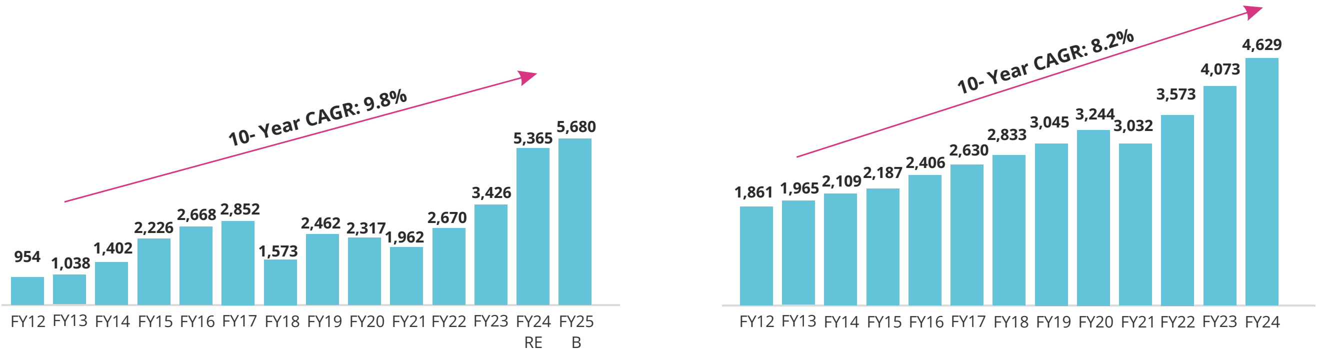
Tourism is a game-changer for the state — rising from 14 Cr visitors in FY17 to 48 Cr visitors in FY23 and further higher in 2024 driven by the grand success of Maha Kumbh. Sites like Ayodhya, Kashi, and Mathura are under heritage development, with a ₹ 1,000 Crs tourism infrastructure plan in action.

Key policy initiatives by the state includes:

- Electronics Manufacturing Policy, 2024
- Logistics Policy, 2024
- Solar Energy Policy, 2024
- Start-up UP Policy, 2022

Uttar Pradesh held first global investor summit in FY18 which attracted MoU worth ₹ 4.3 lakh Crs; the figure more than doubled in FY24 to ₹ 10 lakh Crs with projects spanning across renewable energy, food processing, housing and real estate, hospitality, and entertainment.

Exhibit: Uttar Pradesh: Development capex driving per capita income, which in turns is co-related to disbursement growth



Per Capita Development Capex (₹)

State Per Capita Income ($ PPP Adjusted)

Source: State Budget Documents, RBI e-Database on state finances, MOSPI, WEO for $ PPP conversion factors;
Note: FY24 capex is based on revised estimate, FY25 is budgetary estimate

5B.2.2. Madhya Pradesh: Emerging Industrial Heartland

Madhya Pradesh ("MP") is the second largest state in India and has positioned itself as a strong player in Central India, blending its agrarian strength with industrial ambition. The State leverages its strategic central location and excellent connectivity to key business centers, offering an ideal environment for investment. With a FY24 GDP of ₹ 13.63 lakh Crs ($ 160 bn) and a 10-year CAGR of ~12.0%, the state has shown consistent growth over the past decade.

The state has received FDI inflow of ~$ 320 mn between Apr'21 to Dec'24, especially in agro-processing, textiles, and automobiles. MP is actively developing MSME clusters, with an infrastructure investment of ₹ 10,000 Crs since 2018.

Road infrastructure spans 71,274 km (density of 0.23 km for per km^2 area), with ₹ 8,603 Crs allocated in FY24 (3.1% of total budget expenditure) to boost both national and rural highways. In railways, MP has 5,140 km of network, undergoing electrification and doubling projects. Its installed power capacity rose from 13.8 GW to 28.2 GW (2024), showing the highest CAGR of ~7.5% among our emerging states.

Telecom coverage now exceeds 8.52 Cr users, and 7 cities are being developed as Smart Cities, including Bhopal, Indore, and Gwalior.

On the social front, literacy stands at 70.6% with the education budget of ₹ 22,600 Crs in FY25 (6.9% of total budget expenditure) to further boost education infrastructure in the state. Healthcare is being upgraded with 1,394 PHCs and 12,938 Sub-Centres.

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MP attracts over 11.2 Cr tourists annually (FY23), up from 8.4 Crs in FY17. Known for ecotourism, national parks (Kanha, Bandhavgarh), and heritage trails, the state's brand – "The Heart of Incredible India" is slowly evolving.

Smart City Mission covers 7 cities in Madhya Pradesh.

Noteworthy among these are:

- Indore: India's cleanest city for 8 consecutive years, with 100% waste segregation and innovative waste-to-energy solutions.
- Bhopal: Focus on education, research, and tourism, with projects like smart classrooms and digital libraries.
- Jabalpur: Development of greenfield smart city with emphasis on sustainable infrastructure.
- Gwalior: Initiatives for modernizing infrastructure and improving public services.

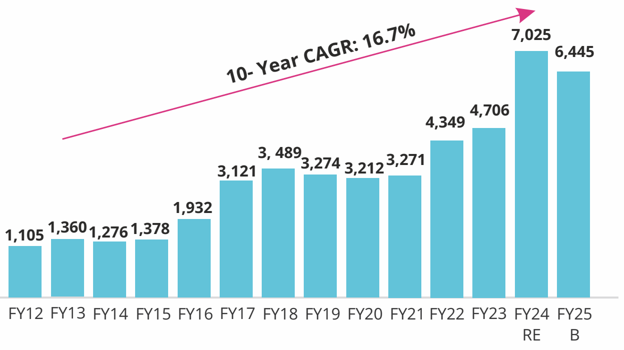
Other cities include Ujjain, Sagar, and Satna with focus on heritage revitalization, urban mobility, and civic infrastructure upgrades like smart lighting, museum redevelopment, and stormwater drainage systems.

The state aspires to become a $ 2 trillion economy by FY47 as set in the new Industrial Promotion Policy (IPP) 2025. Some other key recent policy interventions include:

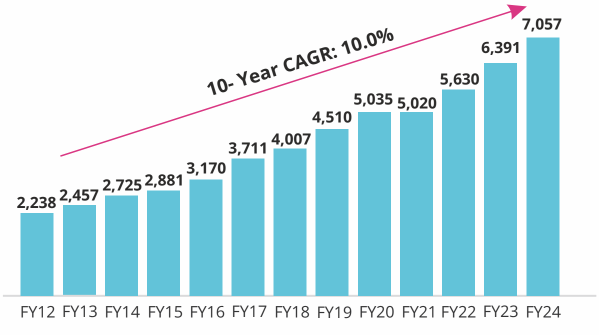
- MP Start-up Policy, 2022
- MSME Development Policy, 2025
- Export Promotion Policy, 2025

Exhibit: Madhya Pradesh: Development capex driving per capita income, which in turns is co-related to disbursement growth

Per Capita Development Capex (₹)



State Per Capita Income ($ PPP Adjusted)



Source: State Budget Documents, RBI e-Database on state finances, MOSPI, WEO for $ PPP conversion factors;
Note: FY24 capex is based on revised estimate, FY25 is budgetary estimate

5B.2.3. Rajasthan – Securing Traditions with Forward-Looking Model

Rajasthan's development path reflects a unique mix of heritage and modern infrastructure. With a GDP of ₹ 15.3 lakh Crs ($ 180 bn) and a 10-year CAGR of ~10.7% in FY24, the state has focused on creating a balanced economic model.

The state has received total FDI inflows of $ 2.2 bn between Apr'21–Dec'24. The thrust is on solar energy, mining, electric vehicles, and textiles. RIICO (Rajasthan State Industrial Development & Investment Corporation) and annual investment summits have been instrumental in attracting industries.

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Rajasthan has 2.8 lakh km of roads (density of 0.8 for per km² area), with a ₹ 4,928 Crs budget for FY24 (1.3% of total budget expenditure) aimed at road widening and inter-city connectivity. In railways, 5 Vande Bharat trains are operational, and the state is improving semi-high-speed corridors.

Power generation increased from 17 GW to 32.8 GW in FY24, at a CAGR of ~6.6%. Telecom user base crossed 6.68 Crs by mid-2024, and 4 cities (Jaipur, Ajmer, Udaipur, Kota) are active under Smart City Mission.

In education, Rajasthan lags slightly with a literacy rate of 66.1%, but the state has earmarked ₹ 40,000 Crs in FY25 for educational improvements. Healthcare infrastructure includes 2,259 PHCs, with ₹ 17,716 Crs allocated for medical facilities (3.6% of total budget expenditure) and a growing network of medical colleges. **Jaipur, Udaipur, Kota, and Ajmer are covered under Smart City Mission** giving a major uplift to these centres of growth. Other cities in Rajasthan like Jodhpur, Alwar, and Bhilwara are also focusing on smart infrastructure and urban development.

- Jaipur: Completion of 9 major projects including multi-level parking and facade improvements.

- Udaipur: Ranked 5th in Smart City Mission with projects like sewer line installations and water treatment plants.

- Kota: Ranked 10th with focus on modernizing infrastructure and public services.

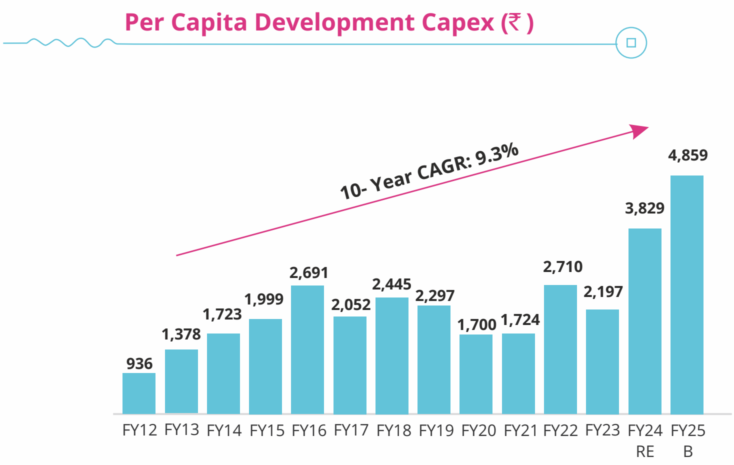
- Ajmer: Ranked 22nd with initiatives for sustainable development and quality of life improvements.

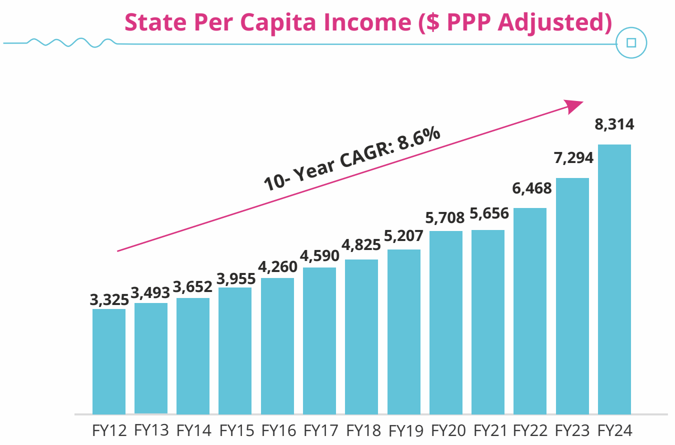
Tourism remains a key growth pillar — from 4.3 Cr visitors in FY17 to 18.2 Cr visitors in FY23, making it one of the top 5 states in footfall. Forts, palaces, and religious circuits draw global attention.

Key enabling policies include:

- Rajasthan Solar Policy, 2019
- Start-up Policy, 2022
- Handicraft Promotion Policy, 2022
- EV Policy, 2023
- Investment Promotion Scheme, 2024

Exhibit: Rajasthan – Development capex driving per capita income, which in turns is co-related to disbursement growth


Per Capita Development Capex (₹)


State Per Capita Income ($ PPP Adjusted)

Source: State Budget Documents, RBI e-Database on state finances, MOSPI, WEO for $ PPP conversion factors
Note: FY24 capex is based on revised estimate, FY25 is budgetary estimate

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Uttar Pradesh's per capita income is where Gujarat was around a decade back. With the focus on growth, industrialisation, improving socio-economic landscape, the state will continue to witness rapid rise in per capita income which in turn will drive demand for housing and housing finance. Given the size of the state – population (3.3x of Gujarat) and economy (equal to that of Gujarat), the business potential is huge. Per Capita income in Rajasthan and Madhya Pradesh are already inching close to national per capita income of $11,112. All three states have low mortgage-to-GDP ratio and offer potential in coming decade. For instance, Madhya Pradesh is already a sizeable and among the fastest growing markets for HomeFirst.

Exhibit: HomeFirst Emerging States fair better compared to national average on key parameters

	Madhya Pradesh	Rajasthan	Uttar Pradesh	India
GDP Growth	↑ 11.9% 10.3%	↑ 10.7% 10.8%	↑ 10.5% 10.1%	10.4% 9.8%
Population Growth	↑ 1.3% 1.5%	↑ 1.4% 1.3%	↑ 1.6% 1.6%	1.2% 1.2%
Per Capital Income Growth	↑ 10.4% 8.6%	↑ 9.1% 9.3%	↓ 8.8% 8.4%	9.1% 8.4%
State Capex Growth	↑ 20.0% 17.9%	↓ 9.8% 10.6%	↑ 16.1% 11.2%	14.4% 12.7%
Nuclearization	↑ 5.53 5.92	↑ 5.37 6.00	↑ 6.01 6.24	4.78 5.09
Total MSME Registrations*	2,101,540 111,717	1,821,801 235,706	3,503,240 217,569	
Total MSME Registrations as % of India	6.6% 3.9%	5.8% 8.3%	11.1% 7.6%	

Source: MOSPI, RBI, NSO, Udyam Portal

**Note: Launched on 1st Jul'20, the Udyam Portal replaced Udyog Aadhaar to provide a single-window system for MSME registrations and availment of other benefits like the access to Priority Sector Lending (PSL) benefits. Its scope was expanded on 11th Jan'23 with the Udyam Assist Platform to include Informal Micro Enterprises, resulting in a significant rise in registrations.*

■ FY19-FY24 (CAGR)
□ FY14-FY24 (CAGR)

■ As of Mar'24
□ As of Mar'21

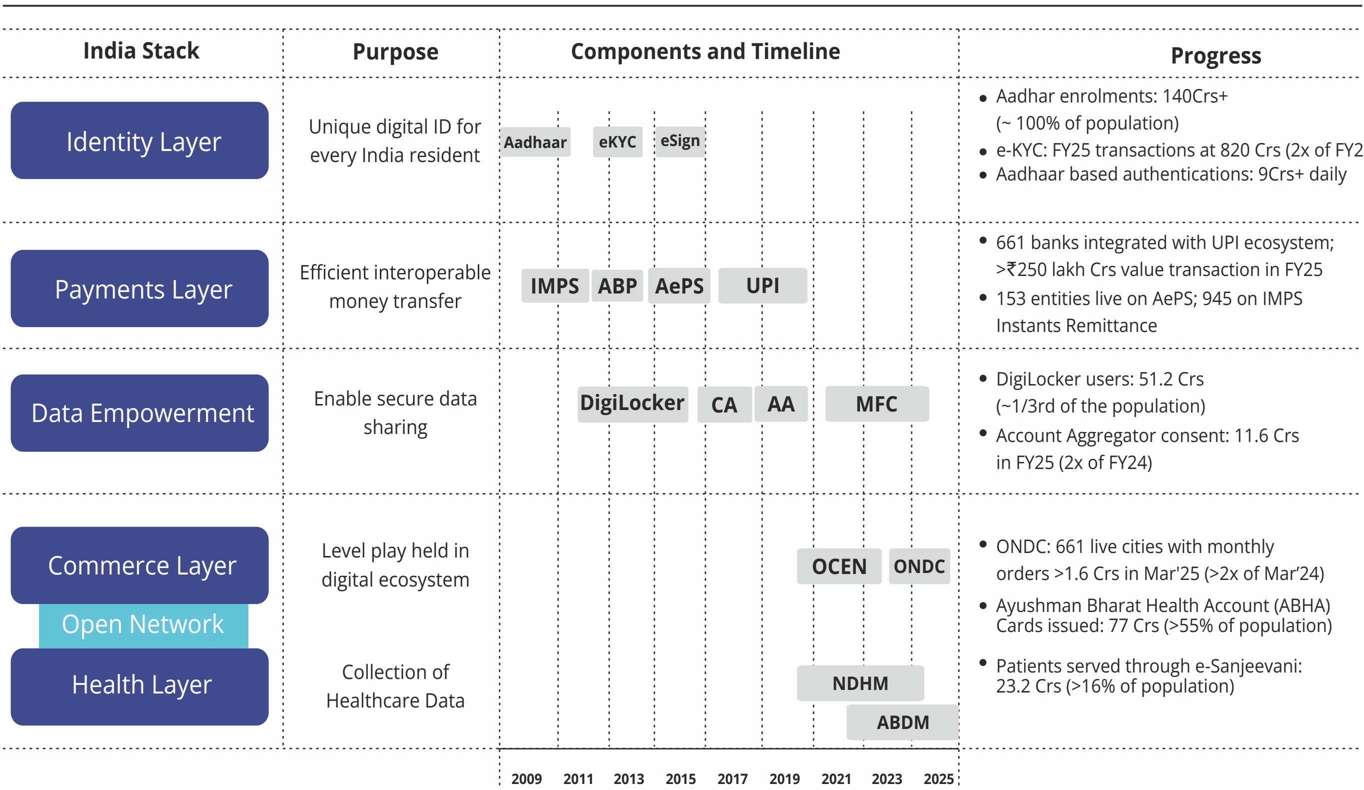
Management Discussion and Analysis

6 . Technological and Digital penetration bringing in new opportunities and challenges

Technology, in today's world, is not just omnipresent but is bringing in disruptive innovation and it is of utmost importance to move with the pace of technological advances to maintain relevance and effectiveness of the business model.

India, as a country, has leveraged the technology to create a plethora of digital public goods and services. This has allowed India to connect a large number of citizens and provide a more democratic and an inclusive digital network and infrastructure. Underpinning this infrastructure is the "India Stack", a set of open Application Programming Interfaces (API), which is unlocking economic building blocks like identity, payments, and data, thereby creating a platform for facilitating transactions and providing goods and services – as depicted in the exhibit below.

Exhibit: Components of Digital transformation of India



India Stack	Purpose	Components and Timeline	Progress
Identity Layer	Unique digital ID for every India resident	Aadhaar eKYC eSign	Aadhar enrolments: 140Crs+ (~ 100% of population) e-KYC: FY25 transactions at 820 Crs (2x of FY24) Aadhaar based authentications: 9Crs+ daily
Payments Layer	Efficient interoperable money transfer	IMPS ABP AePS UPI	661 banks integrated with UPI ecosystem; >₹250 lakh Crs value transaction in FY25 153 entities live on AePS; 945 on IMPS Instants Remittance
Data Empowerment	Enable secure data sharing	DigiLocker CA AA MFC	DigiLocker users: 51.2 Crs (~1/3rd of the population) Account Aggregator consent: 11.6 Crs in FY25 (2x of FY24)
Commerce Layer Open Network	Level play held in digital ecosystem	OCEN ONDC	ONDC: 661 live cities with monthly orders >1.6 Crs in Mar'25 (>2x of Mar'24)
Health Layer	Collection of Healthcare Data	NDHM ABDM	Ayushman Bharat Health Account (ABHA) Cards issued: 77 Crs (>55% of population) Patients served through e-Sanjeevani: 23.2 Crs (>16% of population)

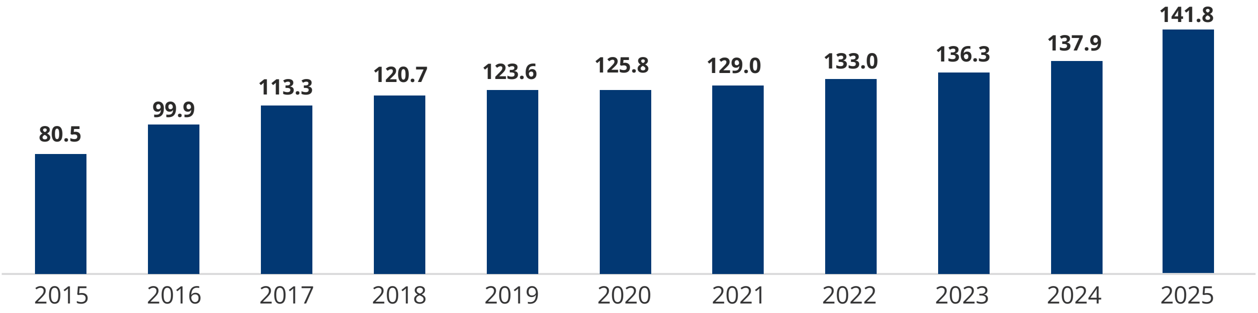
Source: Press Information Bureau, ONDC, NPCI, eSanjeevani, eka.care

Note: CA: Consent Artefact; MFC: Mutual Fund Central; OCEN: Open Credit Enablement Network; ONDC: Open network for Digital Commerce; NDHM: National Digital Health Mission; ABDM: Aayushman Bharat Digital Mission

Management Discussion and Analysis

Exhibit: Aadhar coverage has reached almost 100% of the population

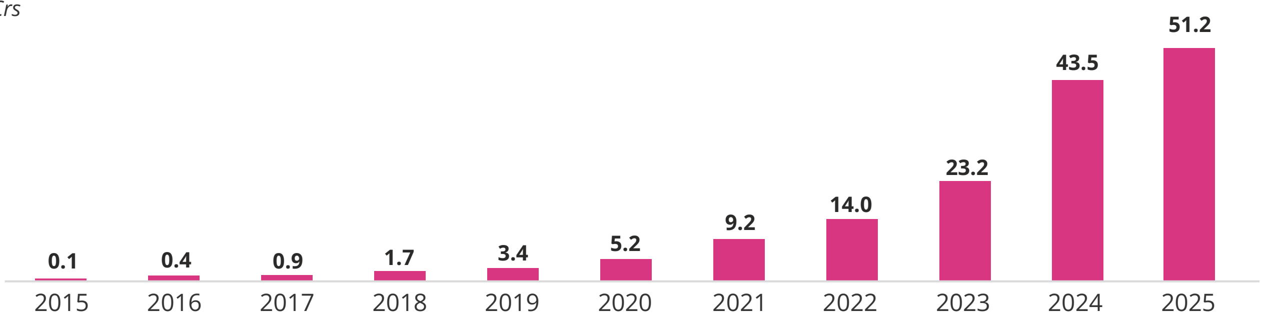
in Crs



Source: UIDAI

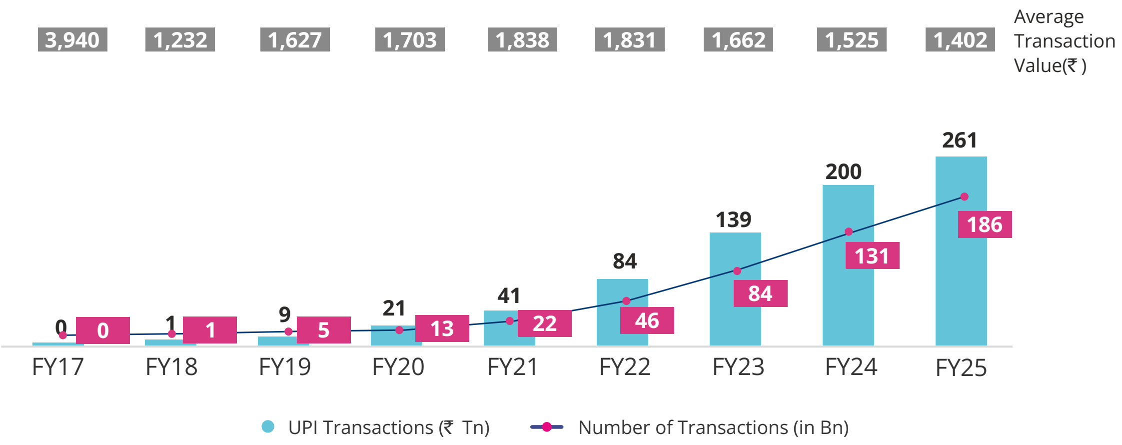
Exhibit: DigiLocker user base has reached 51 Crs – 1/3rd of the population

in Crs



Source: DigiLocker

Exhibit: The UPI momentum Increasing the Digital Payment Infrastructure

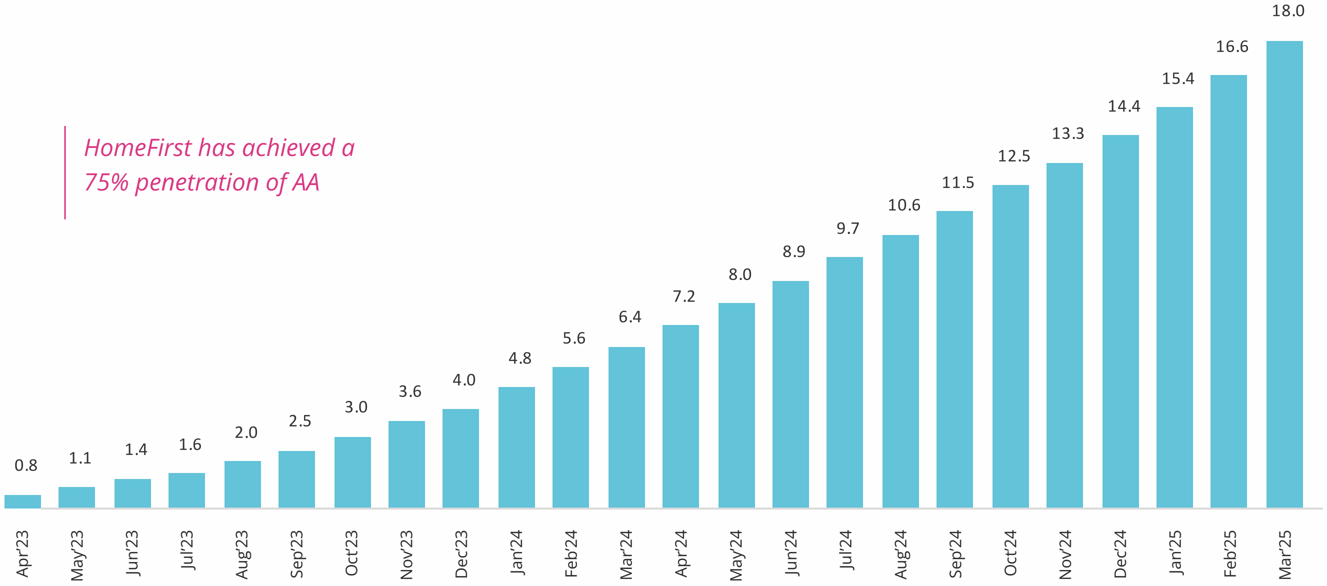


Source: NPCI

Management Discussion and Analysis

Exhibit: Exponential rise in Account Aggregator (AA) adoption – AA usage by end FY25

Successful consents in Crs

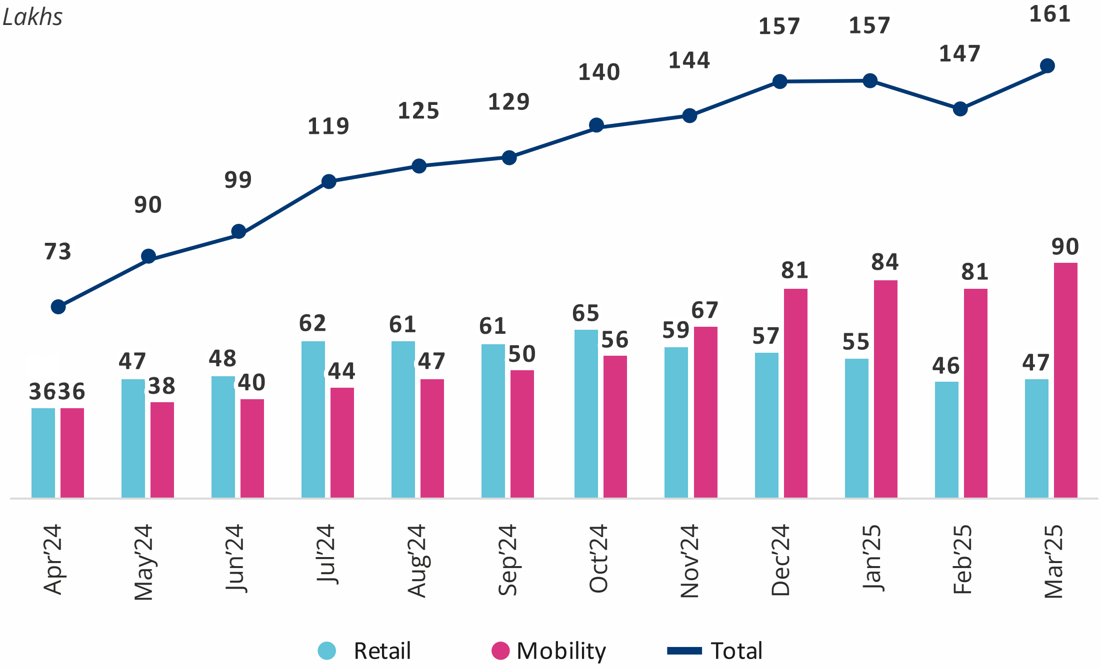


HomeFirst has achieved a 75% penetration of AA

Source: Sahamati, Company data

Exhibit: Orders picking-up on ONDC Network

Orders in Lakhs



Source: opendata.ondc.org

Management Discussion and Analysis

6A. Artificial Intelligence, Automation, and Analytics ("AAA") in Lending

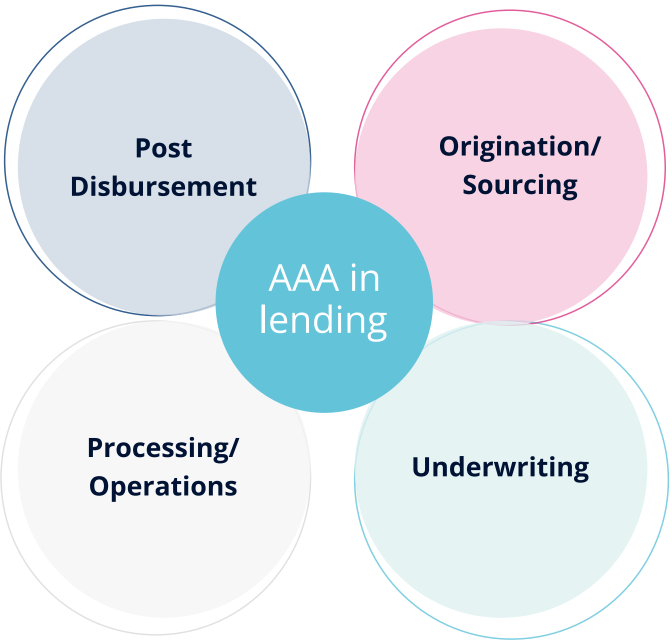
Financial institutions globally are embracing AI-based systems for the various benefits they offer. Artificial Intelligence ("**AI**"), automation and data analytics are helping lenders sustain and fuel business growth via a streamlined lending life cycle.

There are many technology tools available today in the market that are revolutionizing the lending sector globally. AI, Machine learning ("**ML**"), Robotic Process Automation ("**RPA**"), Natural Language Processing ("**NLP**"), and Optical Character Recognition ("**OCRs**") are some of the few new-age technological advancements that genuinely possess the potential to bring a dynamic shift in the way loan approvals and disbursals are taking place globally. These technologies and tools enable saving time and labour expenses by improving efficiency, service quality and accuracy as repetitive manual tasks are performed with higher precision, speed, and agility.

Predictive machine-learning (ML) models are being increasingly being used to manage bounce-rates, customer retention, cross-selling, and more. Innovative tools like smart chatbots, with the help of AI, offer comprehensive and personalised self-help solutions – taking customer service to next level. They can update borrowers on their loan status, closure, and personalised solutions. Virtual assistants and chatbots can also guide borrowers through the loan application process and improve their chances of loan approvals. Loan chatbots are helpful in other activities as well. For instance, these can be deployed to make debt recovery simpler by sending timely payment reminder messages. Real-time updates about EMIs improve the chance of borrowers repaying promptly. Chatbots also reduce the effort and time required by field agents for debt recovery.

RPAs significantly reduce human errors, automate mundane tasks, assist with regulatory compliance, enable significant cost savings, promise 24*7 support, and lower the risk of cyber fraud.

Data analytics, on the other hand, offers valuable insights and helps predict borrower behaviour which in turn aids in formulating strategies. These innovations also help in areas like risk management and fraud control. Data lake offers a single source of data storage and retrieval system that not only helps in reducing the turnaround time, but also improves quality of the data by ensuring validation check at the entry level.



Management Discussion and Analysis

Exhibit: Increasing usage of AAA in lending

Origination/ Sourcing

- Digital marketing/ reach
- Eligibility checks basis bureau score and more
- Lead generation
- Initial screening (KYC, bureau score, other checks)

Underwriting

- Data validation, Account Aggregators, Fraud check etc.
- Digital records, geo-tagging offers better property underwriting
- ML-based property price prediction

Processing/ Operations

- Entire loan processing flow can be online with mobility solution
- Data/ document storage & retrieval
- Disbursement process including Digital agreement, E-NACH, e-stamping

Post Disbursement

- ML-models to predict bounce, BT-out propensity etc.
- Collection management including automated MIS/customer reach-out
- Customer service including queries and grievances Payment reconciliation
- Predictive ML-models to forecast repayment behaviour

Management Discussion and Analysis

7. A welcoming and Conducive Regulatory Framework and Policy Support towards Sustainable Growth

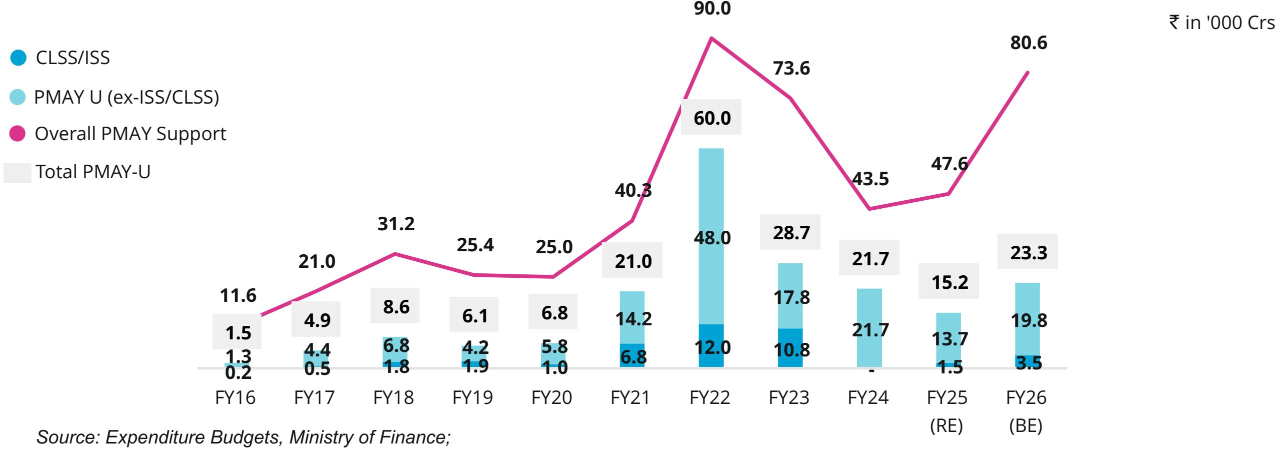
7A. Government schemes targeting construction, credit, and credit subsidy in affordable housing space

In the last few years, policy makers in India have taken substantial measures to address the challenges in affordable housing and cater to the housing needs of the urban and rural poor through various interventions. Flagship initiatives such as the Rajiv Awas Yojana (2009), Pradhan Mantri Awas Yojana (PMAY – 2015; PMAY – 2024) etc. are some of key notable interventions. PMAY 2.0 was launched in Sep'24, with a goal to construct 3 Cr houses over the next five fiscal years. PMAY-U 2.0 scheme has four sub-schemes:

- Beneficiary Led Construction ("BLC"): The BLC scheme provides financial assistance for eligible EWS beneficiaries to construct new pucca houses in their own available land.
- Affordable Housing in Partnership ("AHP"): AHP is a centrally sponsored scheme and financial assistance is provided to EWS beneficiaries for owning affordable houses being built in partnership with states/union territories/cities including private sector and industries.
- Affordable Rental Housing ("ARH"): Creation of ARH through existing Government funded vacant houses or through construction, operation, and maintenance for EWS and LIG.
- Interest Subsidy Scheme ("ISS"): Subsidy is provided on home loans for eligible beneficiaries. Households belonging to EWS, LIG and MIG category with an annual income of up to ₹3,00,000, ₹6,00,000, and ₹9,00,000, respectively, will be eligible to avail the benefits of ISS.

The FY26 Union Budget increased the allocation for PMAY-U from ₹15,170 Crs in FY25 to ₹23,294 Crs for FY26. The allocation for Interest Subsidy Scheme was increased from ₹1,500 Crs in FY25 to ₹3,500 Crs for FY26. Under the erstwhile scheme (PMAY – 2015), the interest subsidy was credited upfront to the loan account of the beneficiary with primary lending institutions (PLI), resulting in reduced Equated Monthly Instalment (EMI). However, under PMAY-U 2.0 the interest subsidy will be released in five equal yearly instalments. Further, if the borrower has taken a housing loan from one PLI and later on switches to another PLI for balance transfer, such beneficiary will not be eligible to claim the benefit of interest subsidy again. This significantly reduces the balance transfer amongst the lenders. Under the scheme the end borrower is expected to receive a benefit of up to ₹180,000 with a NPV of approximately ₹150,000 during the tenure of the loan.

Exhibit: Increasing budget allocations to PMAY scheme for housing support and re-introduction of the Credit linked Subsidy Scheme (CLSS) of PMAY U in from of (Interest Subsidy Scheme) ISS from FY25 onwards under PMAY U 2.0



Source: Expenditure Budgets, Ministry of Finance;
Note: FY25 and FY26 represents PMAY U – 2.0 / ISS; RE is for revised estimates and BE is for Budgetary Estimate

Management Discussion and Analysis

7B. Priority Sector Lending definition expanded to cover wider customer universe

On March 24, 2025, RBI released a circular broadening the scope of definition for PSL in most categories w.e.f. 1st Apr'25. The broadening is largely targeted towards adjusting for inflation. For housing, the definition has been expanded to cover loans up to ₹50 lakhs (on a property value of ₹63 lakhs) as against ₹35 lakhs (on a property value of ₹45 lakhs) earlier. The change is positive for both banks and HFCs.

Exhibit: Changes in scope of priority sector lending under housing w.e.f. 1st Apr'25

	Earlier guidelines		Revised guidelines	
Population	Loan value (₹ lakh)	Property value (₹ lakh)	Loan value (₹ lakh)	Property value (₹ lakh)
>50 lakhs	35	45	50	63
10 to 50 lakhs	35	45	45	57
<10 lakhs	25	35	35	44

7C. Accommodative Monetary Policy Framework with Liquidity infusion, Rate-cuts

During FY23, inflation went up globally, including India, led by soaring food and fuel prices. This prompted major central banks to hike interest rates. The Reserve Bank of India raised the repo rate by a cumulative 250 basis points to 6.5% in FY23. Similarly, the US Federal Reserve increased interest rates by a cumulative 525 basis points between Feb'22 and Jul'23.

However, the inflation has now eased off from the peak. For the full year FY25, CPI inflation eased to 4.6% from 5.4% in FY24. The moderation was driven by record low core inflation at 3.5% (vs 4.3% in FY24), while food inflation was volatile and high at 7.3% (vs 7.5%). However, Q4FY25 saw a reversal in the trend with non-food inflation gaining ground and food inflation dropping sharply. In Apr'25, CPI inflation further eased to 3.2% driven continued softening in food inflation which dropped to 1.8%.

For the year FY26, the high base of last year would provide cushion. Also, healthy Rabi sowing, soft global food prices and the expected above-normal monsoon shall keep check on food inflation. As per Apr'25 report of Crisil, CPI inflation is expected to be 4.3% in FY26.

The easing of inflation provided some leg room for Central banks to bring down policy rates. Globally, major central banks are currently cautious about cutting rates, amid slower disinflation and strong economic growth. The US Federal Reserve cut the federal funds rate by total 100 basis points with first rate cut of 50 bps in Sep'24 followed by 25 bps each in Nov'24 and Dec'24 in response to the easing inflationary pressures.

In India, RBI also began to ease its monetary policy stance. The central bank decreased the repo rate by 50 basis points (delivering two consecutive rate cuts of 25 basis points in Feb'25 and Apr'25) to 6.0%, citing easing inflation, which had moved closer to its target rate of 4%. Depending upon global rate cut cycle and domestic inflation, there might be further rate cuts in FY26.

Further, in addition to the repo rate cut, the RBI's announced serval measures to manage liquidity in the banking system, and to stabilize the local currency. Such measures included, open market operations (OMO) purchases, USD/INR buy-sell swap auctions, and daily variable repo rate (VRR) operations, cut in cash reserve ratio.

7D. Set up of RDCL – a Resident Mortgage-Backed Securitization (RMBS) Company by NHB

National Housing Bank (NHB), a statutory body under the Government of India has set up RMBS Development Company Limited (RDCL). On January 23, 2025, RMBS Development Company Limited (RDCL) received Certificate of Registration from Reserve Bank of India to commence operations. RDCL is expected to play the role of a commercially sustainable market intermediary to facilitate the growth, development of Residential Mortgage-Backed Securitisation (RMBS) market in the country and promote housing finance liquidity. The development of RMBS market can emerge as a reliable complement to existing sources of funding and liquidity for Primary Lending Institutions. The company unveiled its logo in Feb'25. The first transaction was executed in Mar'25.

Management Discussion and Analysis

7E. Multiple changes towards customer protection and strengthening the governance

Regulator has been focused on safeguarding interest of borrowers and has been actively bringing in guidelines towards this effect. In FY25, the Reserve Bank of India strengthened the **Fair Practices Code** to enhance **borrower protection** and ensure **responsible lending**. Key measures and proposals include focus on timing and method of disbursement to ensure interest charge begin only after the actual disbursement of the loan, not from the date of sanction or agreement or issue of cheque. Additionally, prohibition on pre-payment and foreclosure charges on non-business floating rate loans, ensuring greater flexibility and fairness for borrowers. These changes collectively aim to improve transparency, reduce hidden costs, and promote ethical lending practices. Also, the regulator, from time to time, has been enhancing the governance to bring in increased transparency in operations and disclosures by various stakeholders.

Conclusion

As India continues to lead the world in economic growth, increased per capita income and urbanisation are predicted to fuel urban growth. This, in turn, would drive demand for urban housing, especially in the affordable space (₹5–25 lacs housing loan ticket size range). Addressing this shortage presents a substantial financing opportunity of ₹29 lakh Crs ($ 355 bn) by 2030. We believe that affordable housing finance is expected to deliver mid-teen growth in terms of value, in line with previous decade. Structural reforms and initiatives by the government and conducive regulatory framework provides the right landscape to harness this opportunity.

As economic development accelerates and urbanization deepens, HomeFirst is well-positioned to capture rising housing demand and support financial inclusion as we continue to focus on our 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

1. Snapshot of FY25 and key updates

During FY25, HomeFirst continued to scale its business across its 13 states / UT. Annual disbursals were ₹4,805 Crs rising 21.2% on a YoY basis; AUM, at ₹12,713 Crs, grew 31.1% on YoY basis. This performance was driven by continuous expansion of our granular distribution network across our key markets, strong liquidity, effective risk management, the seamless integration of technology across processes and a highly experienced, trained, and motivated workforce. Our collections remained strong leading to stable asset quality with Gross Stage 3 (GNPA) at 1.7% compared to 1.7% as of Mar'24; prior to RBI classification circular of Nov'21, it stands at 1.4% (Mar'24: 1.4%). Credit cost for FY25 was at 30bps in-line with 30bps for FY24. These efforts resulted in a best-in-class return on assets (RoA) of 3.5% (FY24: 3.8%) and a return on equity (RoE) of 16.5% (FY24: 15.5%). Net profit saw a substantial increase of 25.0%, reaching ₹382 Crs.

In Apr'25, HomeFirst has successfully completed its maiden Qualified Institutional Placement (QIP), raising ₹1,250 Crs. The strong participation underscores the continued confidence of the investor community in HomeFirst's differentiated business model, robust governance, and long-term growth potential. The QIP saw participation from marquee institutional investors. Several existing investors increased their shareholding, reaffirming their commitment to the Company's journey. This capital infusion will further strengthen our balance sheet by increasing our CRAR and reducing leverage. With a strong capital base, HomeFirst remains well-positioned to expand its footprint, deepen customer engagement, and deliver sustained value to all stakeholders.

Let us delve into the foundational elements that shaped our growth story for FY25.

2. Distribution Network

We have a contiguous approach towards branch expansion with clear focus on larger affordable housing finance markets (*Please refer to macro discussion of MD&A for details of key parameters*). Over years, we have been expanding to newer districts within our 13 states/ union territory, penetrating deeper into existing districts and focussed on gaining market share facilitated by our unique business model.

As of Mar'25, we had a network of 361 touch points, including 155 branches covering over 141 districts in 13 states and union territory in India. Over last three years, we have almost doubled our branch count from 80 as of Mar'22 to 155 as of Mar'25. Of these 75 new branches, nearly two-third came from focus states as we continue to penetrate deeper. Over the course of the FY25, we expanded into 10 new districts to now cover 141 districts vs. 131 districts at the start of the year. Our focus states continue to account for approximately 52% of the country's affordable housing finance market (in terms of annual origination based on FY24 data) and our emerging states account for approximately 21% of affordable housing finance market.

Management Discussion and Analysis

Exhibit – Contagious network expansion to cover large affordable housing finance markets

State/ UT	Mar'22		Mar'23		Mar'24		Mar'25	
	Branch	**District**	**Branch**	**District**	**Branch**	**District**	**Branch**	**District**
Andhra Pradesh	6	7	9	9	9	9	11	11
Chhattisgarh	1	4	3	4	4	5	4	5
Haryana & NCR	1	2	1	2	2	3	3	3
Gujarat	21	22	24	22	31	22	36	23
Karnataka	4	5	6	6	6	7	7	7
Madhya Pradesh	5	6	8	7	11	10	14	12
Maharashtra	17	16	19	17	22	19	26	19
Rajasthan	7	5	8	8	10	8	12	9
Tamil Nadu	12	18	22	24	23	25	24	25
Telangana	5	5	8	12	9	12	10	14
Uttar Pradesh & Uttarakhand	1	8	3	8	6	11	8	13
Total	**80**	**98**	**111**	**119**	**133**	**131**	**155**	**141**

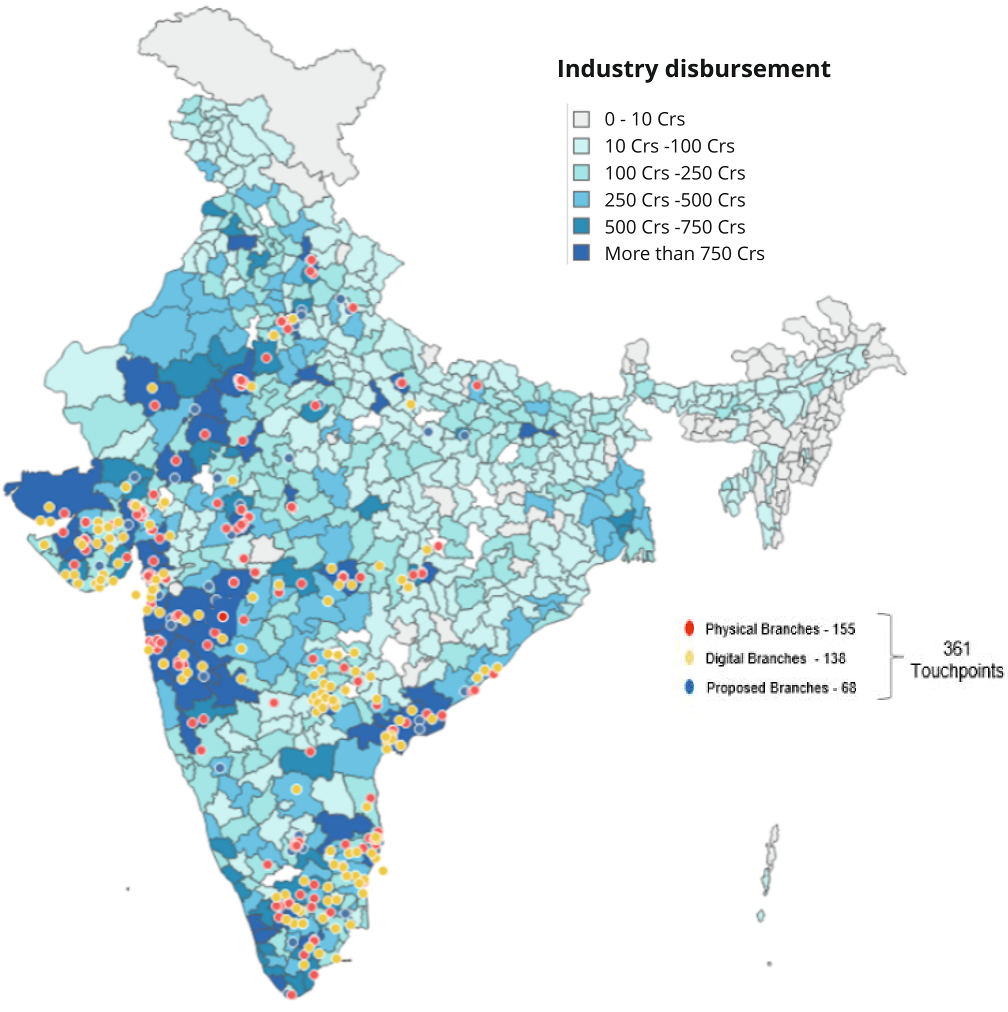
Note: District count is basis total touchpoints in the respective state/ UT

As of Mar'25, 114 of our branches are present in the western and southern states of India, namely Maharashtra, Gujarat, Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana (together referred to as the "Focus States"). We have established a strong presence in these states due to higher level of economic activities which lead to these states enjoying higher per capita income and mortgage-to-GDP ratios as against the national average. We have discussed this in length in the macro section of MD&A. We believe these focus states still have enough opportunities to penetrate deeper and their continuously improving socio-economic landscape present substantial potential to expand our AUM.

Additionally, we have been growing our footprint in Rajasthan, Madhya Pradesh, and Uttar Pradesh (collectively, the "Emerging States"), alongside our Focus States. These states have been witnessing GDP growth of 10-12% over last decade and have immense potential to follow suit the focus states. As of Mar'25, we operated 23 touch points (including 14 branches) in Madhya Pradesh, 22 touch points (including 12 branches) in Rajasthan, and 16 touch points (including 4 branches) in Uttar Pradesh.

Management Discussion and Analysis

Exhibit – Contiguous expansion in focus states alongside strategic expansion in emerging states



Source: FY24 bureau data, Company data

More than three-fourth of our sourcing is through our vast network of connectors. Our loan process is easy, transparent, and customer-friendly with a focus on needs of the customer segment we deal with. Our front-end teams are well educated, trained and able to effectively assess all sources of a customer's income and guide them on aspects of obtaining financing. We have set up a paperless process to onboard customers efficiently and our managers' conduct home and workplace visits to ensure minimal disruption to a customer's daily routine. We believe that these initiatives have assisted us in establishing a strong reputation as a customer friendly organization. Our distribution model is anchored around granular sourcing model and our highly trained, experienced, and motivated team who seamlessly execute the thoughtfully-crafted flow and thus gaining market share. This is evident from the market share trend in some large markets we operate in.

Management Discussion and Analysis

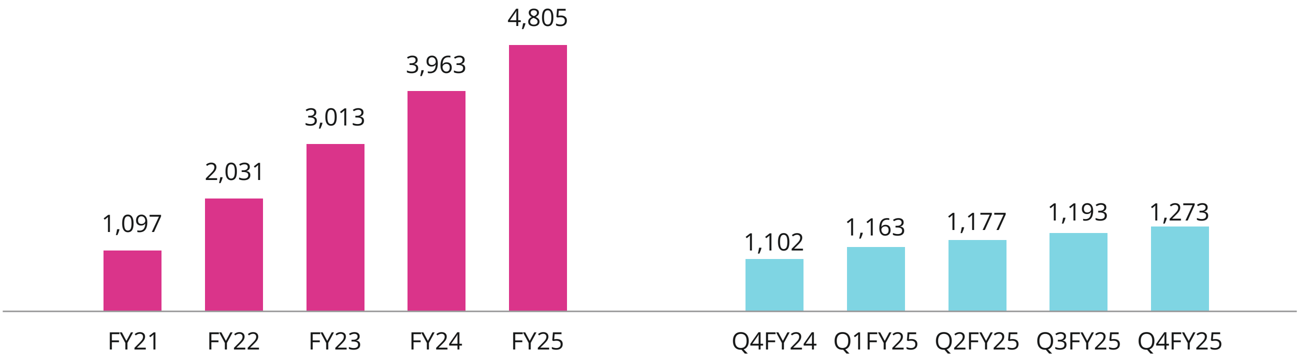
Exhibit – HomeFirst market share build-up in key cities in terms of Origination

	HomeFirst Market Share in ₹5-25 Lakh ticket size				
City	**Mar'18**	**Mar'22**	**Mar'23**	**Mar'24**	**Sep'24**
Jaipur	0.2%	3.2%	3.8%	4.0%	4.4%
Ahmedabad	1.8%	2.9%	3.3%	3.7%	3.7%
Surat	2.3%	2.6%	3.3%	4.1%	4.5%
Indore	0.2%	3.2%	3.6%	4.0%	5.2%
Nagpur	0.7%	3.1%	3.9%	4.0%	4.3%
Raipur	0.4%	1.6%	2.2%	2.8%	4.3%
Hyderabad	0.1%	2.7%	3.0%	3.0%	3.4%
Bangalore	0.4%	2.2%	2.5%	2.5%	2.5%
Chennai	0.5%	1.9%	2.2%	2.3%	2.0%
Lucknow	NA	0.0%	0.3%	1.2%	2.6%

Source: Bureau and Company data

Disbursements: The Company disbursed ₹4,805 Crs in FY25, a significant increase from ₹3,963 Crs in last year, reflecting a robust growth of 21.2% yoy. HomeFirst has consistently experienced growth in monthly disbursements, supported by an expanding borrower base and a strong loan portfolio. During the year, our customer base grew 24% to 1,17,989 active customers as of Mar'25. This success can be attributed to our strategically planned branch network expansion, the introduction of innovative financial products, and the adoption of advanced technology to streamline operations and enhance customer satisfaction.

Disbursements (₹Crs)


Last 5 Years

Last 5 Quarters

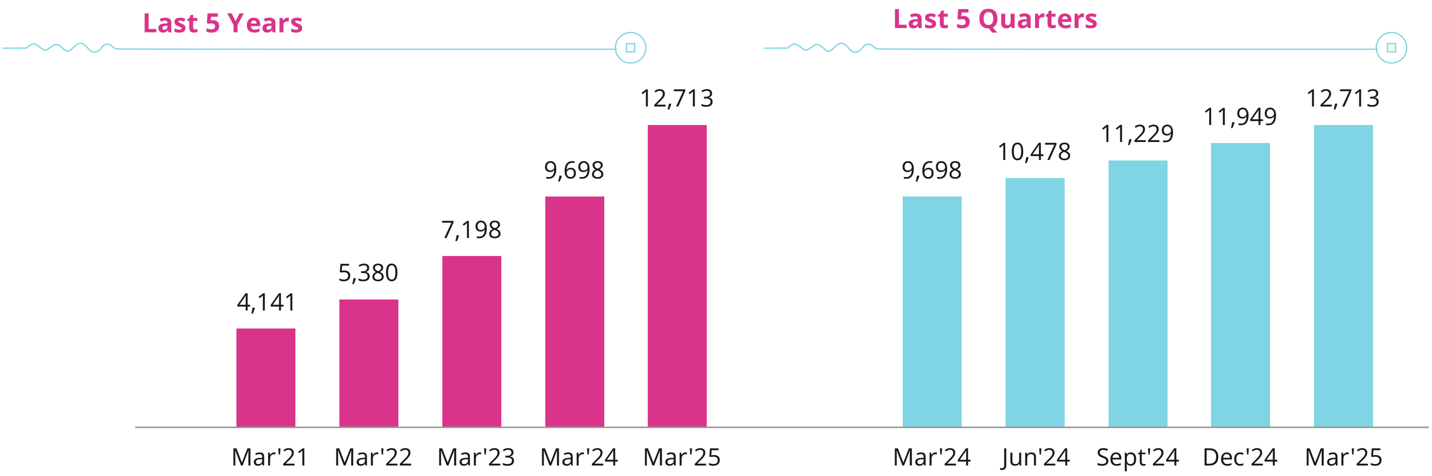
Assets Under Management: Our Assets Under Management (AUM) grew from ₹9,698 Crs as of Mar'24 to ₹12,713 Crs as of Mar'25, reflecting an impressive y-o-y growth of 31.1%. This achievement highlights our capability to fulfil customer demands and strengthen our market share in our focus markets. Going ahead, growth would be fuelled by (a) increasing market share in existing markets/ branches, and (b) expanding coverage through new branches.

Management Discussion and Analysis

AUM in States (₹Crs)	FY17	FY20	FY25	CAGR (FY17-25)
Gujarat	280	1,438	3,676	38%
Maharashtra	310	785	1,773	24%
Tamil Nadu	80	360	1,646	46%
Telangana	9	176	1,084	82%
Andra Pradesh*	-	47	698	71%
Karnataka	76	325	796	34%
Madhya Pradesh	13	141	1,039	73%
Uttar Pradesh & Uttarakhand	19	96	830	61%
Rajasthan	25	179	789	54%

*CAGR for Andhra Pradesh is from FY20 – FY25

Assets Under Management (₹Crs)


Last 5 Years

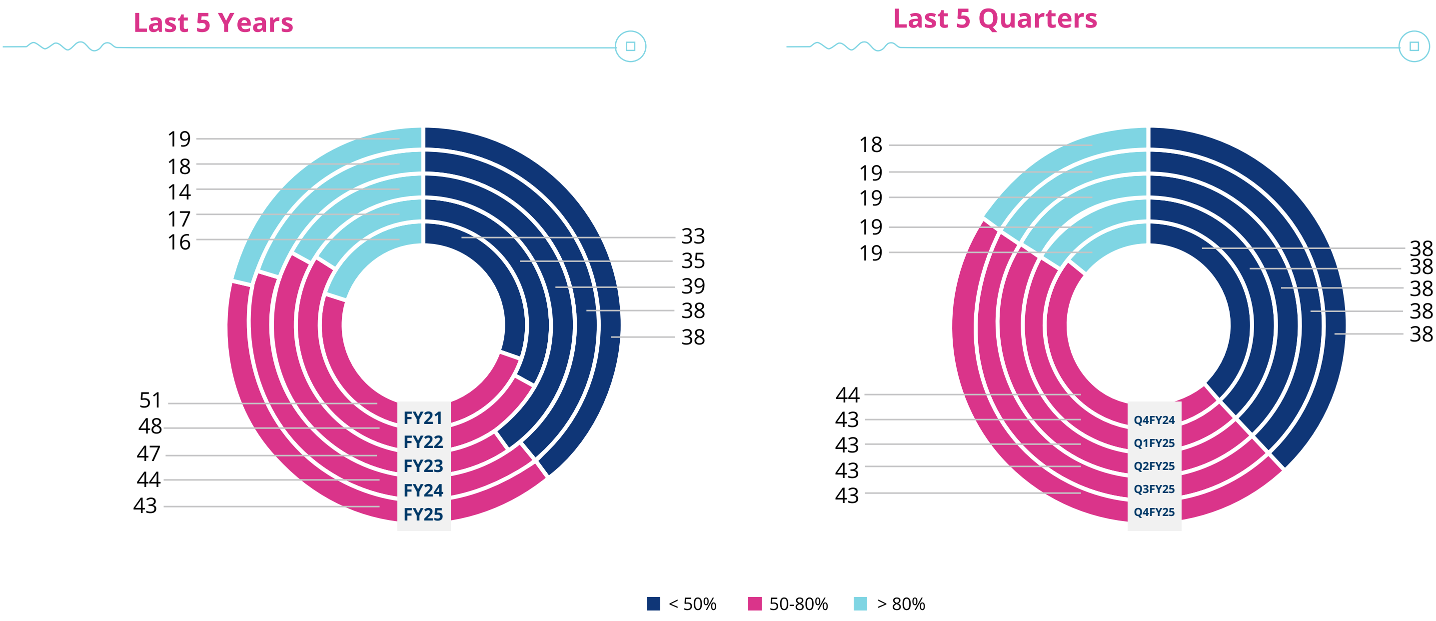
Last 5 Quarters

3. Product Metrics

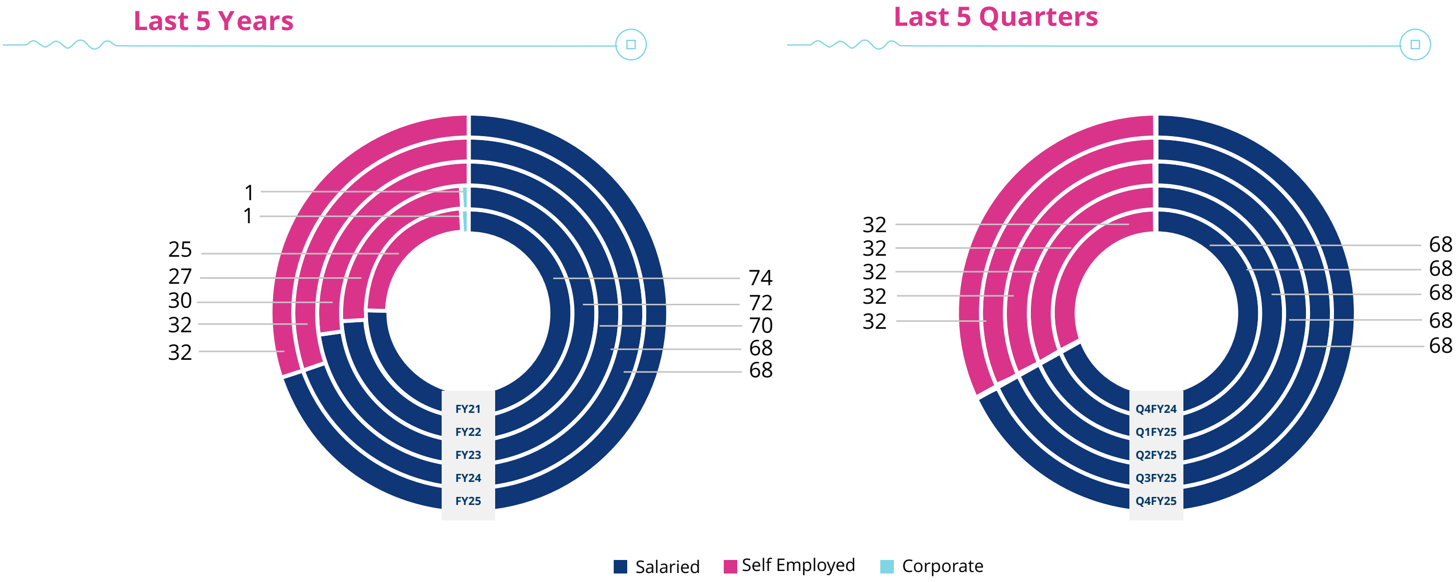
We remain committed to serving all customer profiles throughout their home loan journey by offering a diverse range of products. We serve both salaried and self-employed customers. Salaried customers account for 67.9% of our AUM and self-employed customers account for 32.1% of AUM, as of Mar'25. Our business focus continues to be on core home loan segment which contributes to 83.7% of our total AUM as of Mar'25; with a strong presence in the core affordable housing finance segment, i.e. self-construction loans, as well as builder-led individual home loans and home resale options. We diligently monitor our risk profile and maintain minimal exposure to under-construction properties. As of Mar'25, our Loan-to-Value (LTV) at the time of origination stands at 55.1%. Based on AUM, as of Mar'25, more than 38.2% of AUM has LTV below 50% and 42.8% of AUM has LTV between 50% and 80%. Contribution from new-to-credit customers to our AUM, as of Mar'25, is at 14.5% - the same has been on a declining trend over last decade.

Management Discussion and Analysis

Loan to Value (LTV) - Based on AUM (in %)



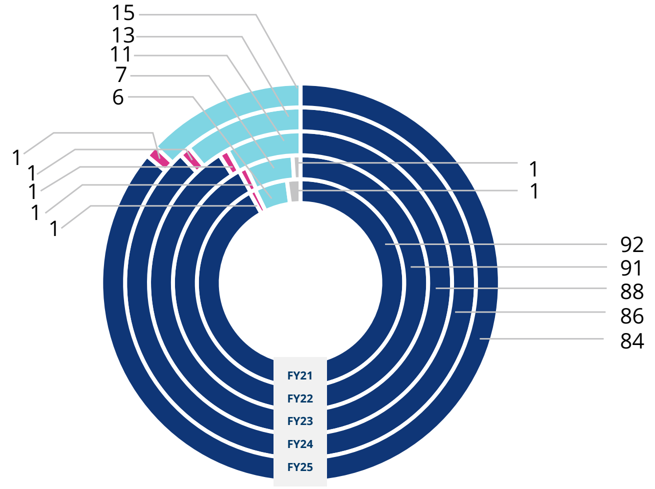
AUM by Occupation (in %)



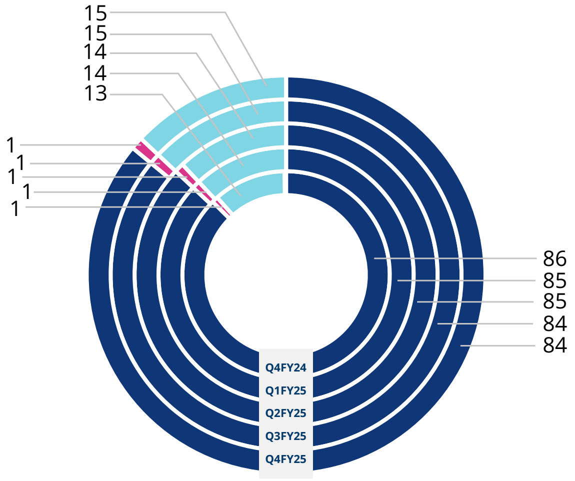
Management Discussion and Analysis

AUM by Product (in %)

Last 5 Years



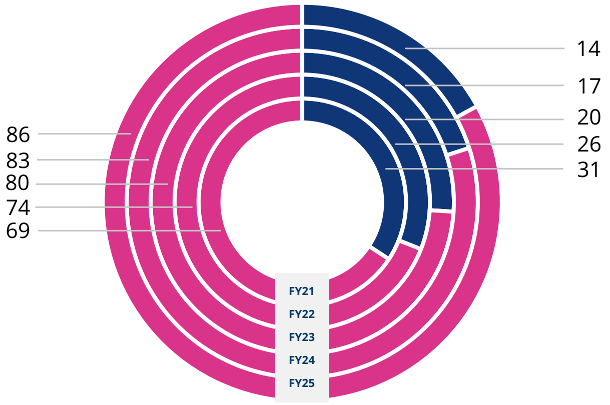
Last 5 Quarters



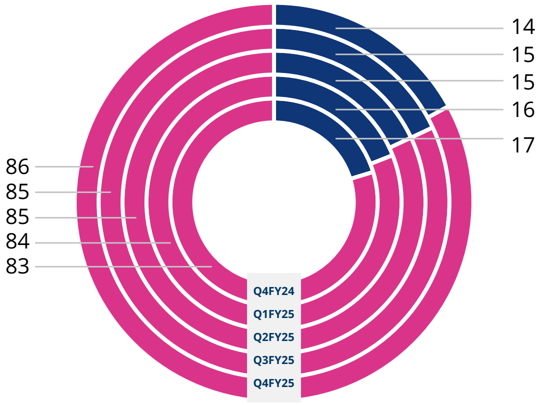
■ Housing Loan ■ Loans for Purchase of Commercial Property ■ Loans Against Property ■ Developer Finance

AUM by Credit History (in %)

Last 5 Years



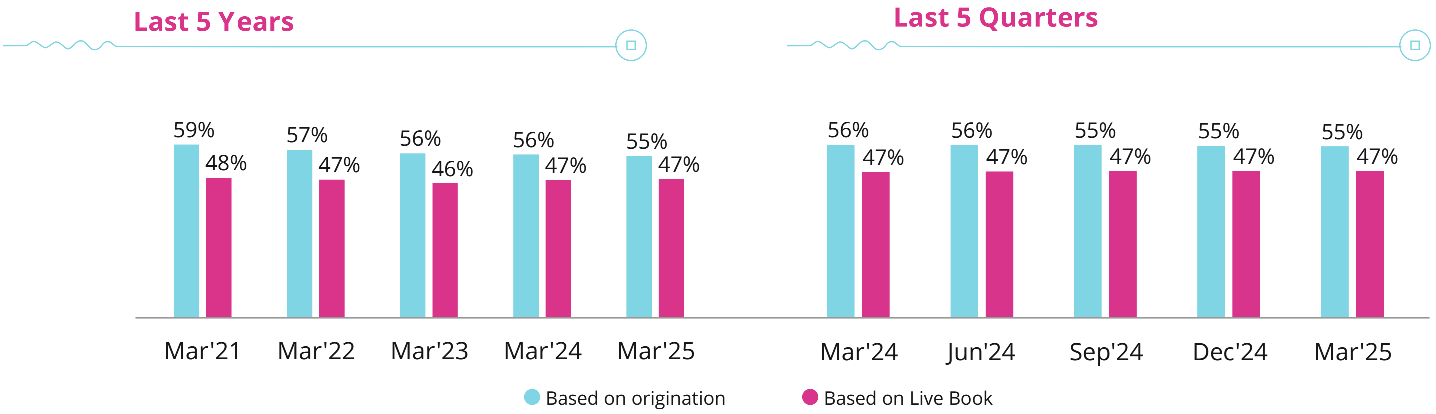
Last 5 Quarters



■ New to Credit History ■ With Credit History

Management Discussion and Analysis

Loan to Value (in %)


Last 5 Years

Last 5 Quarters

4. Credit Underwriting Process

Our underwriting process is powered by data science, offering a centralized approach combined with a comprehensive understanding of local property markets and driven by highly experienced, well-trained underwriters. Our centralised approach offers a lot of benefits including better management of workflow leading to higher productivity, steeper learning curve for underwriters and agility. We have established a strong and structured credit approval system which ensures strong asset quality of our portfolio.

Key characteristics of HomeFirst underwriting process

Initial Screening and Pre-Sanction Check	• Thorough due-diligence before onboarding connectors and other partners. Quick response on generated leads. • Comprehensive screening of the customer profile, including understanding income sources and risks, property/residence/workspace verification. • Digital validation of leads through third-party databases for KYC. Filtering out low credit bureau score customers. • Detailed proposal is submitted by front-end team covering photos/ videos and other relevant information/ documents.
Customer Credit Underwriting	• Data-science backed centralised underwriting. • Integrated CRM & Loan management System on cloud-based platform • API integration with third party independent sources and usage of account aggregator to help in triangulation of income and proofs, submitted to front-end teams, done from a single dashboard • Proprietary Machine learning & customer scoring models built used for credit decision
Property Underwriting & disbursement process	• In-depth understanding of property types and land laws of the operating geographies • Legal and technical assessment through third party vendors & internal team • Geo-tagging all properties

Management Discussion and Analysis

Loan Collection and Monitoring	• Tiered collection system led by the same front-end team, ensuring strong sense of responsibility. • Usage of analytical tools like bounce prediction to support ground team and focus on early delinquencies. • Digital medium like automated calling & SMS/ WhatsApp messages to enhance collection efforts. • Tracking instalment collection status on real time basis • Convenient omni-channel payment options via Card, UPI, Net banking, Customer App etc

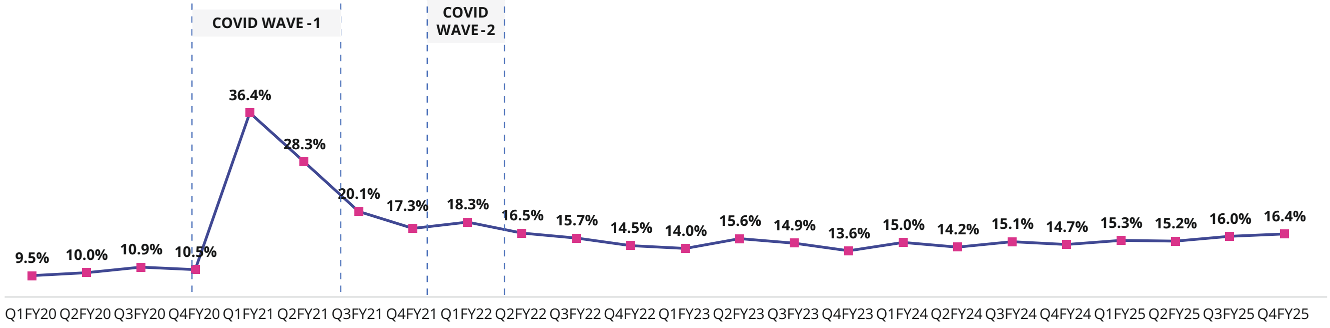
5. Asset Quality

We have set up a robust collections management system wherein approximately 96.9% of our collections during the FY25 were non-cash based, which eases stress on monitoring financial transactions and reduces our cash management risk. As of Mar'25, 96%+ of our customers are registered for an automated debit facility. We track the status of instalments collected through a collection module in our system. We employ a structured collection process wherein we remind our customers of their payment schedules and to maintain adequate balance in their account on the due date, through automated calls and text messages. We perform predictive analytics to predict the probability of bounce and help us initiate appropriate action to mitigate risks. Our collections process is completely managed by our branch teams. Half of our front-end team's incentives are dependent on collections.

We initiate recovery action immediately after a customer default in 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 teams call customers and visit them to understand reasons for the default and for recovery of the dues. At 30 days past due, while our employees continue to engage with the customer, we send them a default notice. At 60 days past due, we send a loan recall/ Pre-SARFAESI letter and our employees reiterate the repercussions of loan default to the customer. Thereafter, we seek to resolve cases by initiating legal action through SARFAESI at 90 days past due.

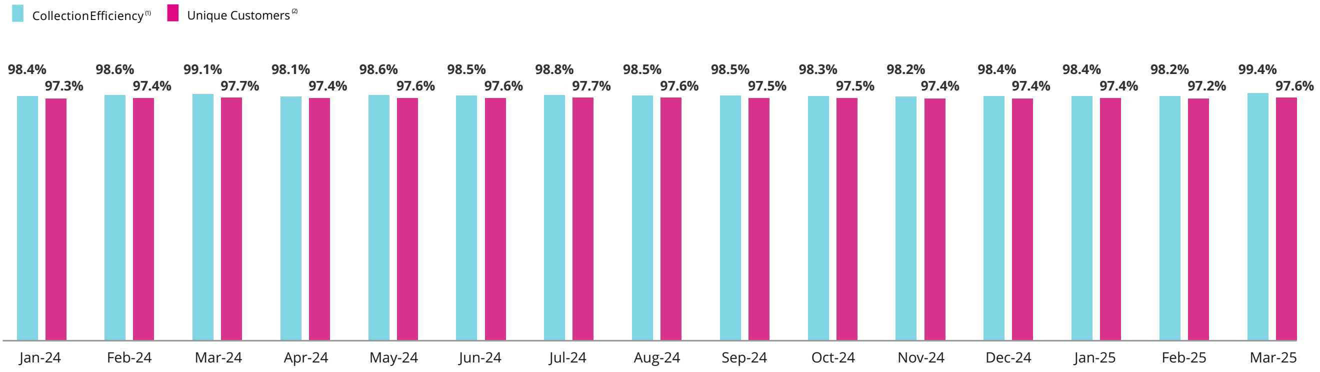
Apart from customer selection and strong underwriting, our focused approach on collections has helped us in sustaining a stable asset quality and delivering low credit cost. Our tiered collection strategy, led by our front-end team, prioritizes the containment of early delinquencies, which remains integral to maintaining consistent collection efficiency and strong asset quality.

Bounce rate: On the day of EMI presentation remained range bound during FY25, lower than industry-level



Management Discussion and Analysis

Collection Efficiency



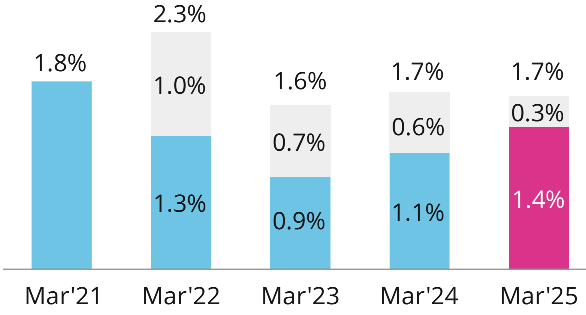
(1) Collection Efficiency= Total #of EMIs received in the month (including arrears of previous months)/Total #of loan accounts whose EMIs are due in the month
(2) Unique customers= #of customers who made at least one payment in the month/Total #of Customers whose EMIs' are due in the month

We have maintained a strong emphasis on early bucket collections, ensuring consistent focus in this area. Additionally, we provide convenient payment options for our customers, including app-based payments and remote payment links. These enhancements simplify the payment process, further contributing to the strength of our collections.

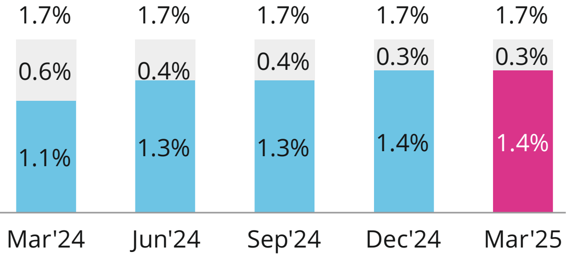
Our Gross Non-Performing Assets (GNPA) ratio remains stable at 1.7% (1.4% pre-RBI circular) as of Mar'25. Furthermore, our Stage-3 Total Provision Coverage Ratio is 46.6% (54.4% pre-RBI circular) as of Mar'25, compared to 50.9% (75.7% pre-RBI circular) as of Mar'24.

Gross Stage 3/POS (GNPA) %

Last 5 Years



Last 5 Quarters



▨ Re-classification due to RBI circular

Management Discussion and Analysis

6. Our analysis of strengths and weaknesses helps us identify and manage our business risks in a better manner.

• SWOT ANALYSIS •

Strengths

- Deep understanding of customer segment, transparent loan process and documentation leading to customer trust and loyalty.
- Distribution reach driven by curated and contagious branch expansion and granular sourcing model driven by connectors ensuring deep penetration across India covering >80% of affordable housing finance market.
- Highly trained, experienced, and motivated front-end as well as support team
- Data-science backed centralised underwriting brings in quality, standardisation, and agility
- Robust and tiered collection management system led by front-end teams
- Seamlessly integrating technology across the business process and flows to ensure operating efficiency and service quality
- Robust risk management framework coupled with strong collection process and culture
- Strong balance sheet with strong capital base and diversified funding base
- Experienced management team and Board to ensure execution and high governance standards

Weakness

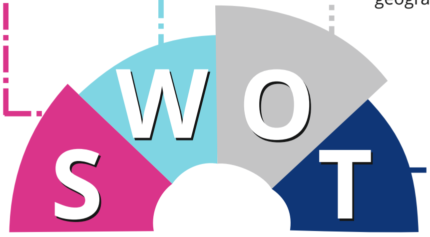
- Sensitive to changing interest rates and market conditions
- Limited brand recognition compared to banks

Opportunities

- Sustained government focus on addressing shortage of housing in the country through various welfare schemes like PMAY
- Strong growth potential in underlying affordable housing finance market driven by factors like continued macro drivers, scope to increase credit penetration in India, government initiatives towards improving socio-economic landscape, increasing availability of credit, conducive regulatory and policy framework
- Market share gain at existing locations
- Deepening network into existing geographies, expansion into new geographies

Threats

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



7. Risk Management

At Home First, risk management is a dynamic and continuous process designed to identify, assess, quantify, and mitigate potential risks, thereby supporting informed decision-making and sustainable business growth. The overarching goal is to strengthen long-term financial resilience by proactively managing both financial and non-financial risks.

Key focus areas:

- Ensuring compliance with regulatory and prudential norms laid out by various regulators and the Board.
- Identifying business-related risks and establishing methods for quantifying them.
- Continually assessing and strengthening existing controls and suggesting risk mitigants or their enhancement.

Management Discussion and Analysis

- Monitoring Board-approved Risk Appetite thresholds for key risks.
- Anticipating emerging risks from regulatory and economic developments.

Home First is inherently exposed to multiple risks typical of financial services, including Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk, and Operational Risk (including IT-related risks). Additionally, non-financial risks related to Reputation, Compliance, ESG-related, and Cybersecurity are also faced by the business.

We have an independent Risk Governance Structure in place, ensuring clear separation of roles and independence in risk measurement, monitoring, and control. This structure complies with regulatory expectations and is supported by frameworks such as the Risk Appetite Framework, Stress Testing, Early Warning Signals (EWS), and the Internal Capital Adequacy Assessment Process (ICAAP).

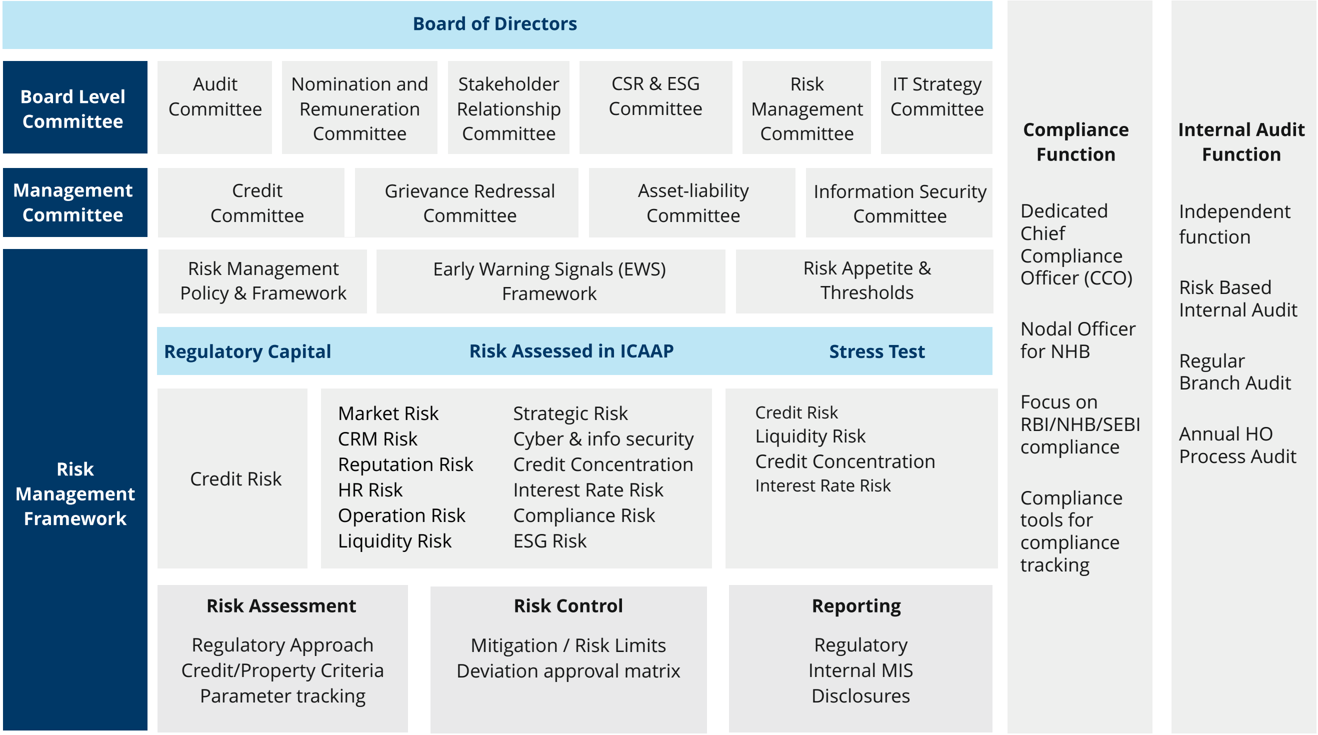
These frameworks are evaluated on regular basis and enhanced to maintain their relevance and effectiveness. Management Level Committees and the Risk Management Committee (RMC) continually monitors various risks and respective mitigants; actions are taken basis the same.

Risk Governance & Risk Management Framework

Home First adheres to the highest standards of corporate governance, which reflect the core values of fairness, accountability, and sustainability. The Board provides strategic guidance while ensuring oversight and compliance. Its composition—diverse and inclusive—strengthens objectivity and transparent decision-making, with Independent Directors playing a pivotal role.

Risk oversight is conducted through regular reviews by the Risk Management Committee (RMC) and other management-level committees. These forums ensure alignment with the company's risk strategy and regulatory standards.

The Risk Management Committee periodically reviews key risks and related policies to ensure alignment with strategic growth plans. Sub-committees of the Board—ALCO, Risk Management Committee, and IT Strategy Committee—support risk monitoring. The Audit Committee oversees adherence to these frameworks and evaluates their adequacy in managing evolving risks.



Board of Directors

Board Level Committee
Audit Committee
Nomination and Remuneration Committee
Stakeholder Relationship Committee
CSR & ESG Committee
Risk Management Committee
IT Strategy Committee

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

Risk Management Framework
Risk Management Policy & Framework
Early Warning Signals (EWS) Framework
Risk Appetite & Thresholds

Regulatory Capital
Credit Risk

Risk Assessed in ICAAP
Market Risk
CRM Risk
Reputation Risk
HR Risk
Operation Risk
Liquidity Risk
Strategic Risk
Cyber & info security
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
Compliance tools for compliance tracking

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

Management Discussion and Analysis

Risk Appetite (RA)

Risk Appetite represents the level and type of risk the organization is willing to accept in pursuit of its business goals. It is defined within the company's risk-bearing capacity and strategic vision.

At Home First, the Risk Appetite Framework outlines limits for key risk categories, supported by both quantitative and qualitative parameters, and aligns them with overall business strategy. These thresholds are monitored by the Risk team and presented to management committees and RMC to ensure timely action, as and when required.

Early Warning Signals (EWS)

Home First has instituted an EWS framework to identify early signs of potential NPAs or fraud. It leverages data such as borrower profiles, credit bureau reports, product types, collateral details, and customer behaviour patterns to categorize risk and pre-empt adverse outcomes.

Internal Capital Adequacy Assessment Process (ICAAP)

As a 'Middle Layer' NBFC under RBI classification, Home First is required to implement ICAAP. The ICAAP framework assesses capital adequacy in relation to the company's risk profile.

Home First's ICAAP Policy identifies material risks not captured by regulatory capital requirements and incorporates stress testing, scenario analysis, and projected financials.

Senior management—including the MD & CEO, Dy-CEO, CBO, CFO, CHRO, and CRO—regularly evaluates projected financials including capital position after considering critical business and macroeconomic success factors and ensures that the Company is adequately capitalized to meet its business plans.

Though submitted annually, ICAAP is a continuous process involving dynamic reassessment. The outcomes are first presented to the RMC, then approved by the Board before being submitted to the regulator. An independent review by third party is also conducted annually.

Stress Testing

Home First conducts stress tests to evaluate the potential impact of severe but plausible adverse conditions. The updated stress test policy defines scenarios, tolerance thresholds, mitigation strategies, and reporting protocols across Credit, Concentration, Liquidity, and Interest Rate Risks.

Emerging Risks

Emerging risks are newly developing or rapidly evolving threats that may have a significant impact on the financial industry but are often difficult to quantify due to limited historical data. These risks may arise from technological disruption (e.g., cyber threats, AI misuse), climate change, evolving regulatory landscapes, or geopolitical tensions. In the financial sector, proactively identifying and assessing such risks is crucial for resilience and long-term sustainability.

At Home First, a relatively flat organization structure with agile risk governance practices helps effectively anticipate and prepare for the impact of emerging risks by fostering faster decision-making, improved communication, and a more responsive approach to change.

Risk & Crisis Management

Crisis management encompasses preparation, response, and recovery from significant disruptions. At Home First, crisis preparedness operates at three levels:

Operational	Business Strategy	Reputation Management
• Annual IT risk assessments and IS audits by CERT-In empanelled auditors. • Evaluation of governance, cybersecurity, BCP, and third-party support. • Well-defined Business Continuity and Disaster Reco-very Policies with RTO and RPO targets.	• Monitoring macroeconomic and regulatory trends and aligning strategic responses. • Assessing customer/product behaviour trends and competitive positioning.	• Support from a professional PR team and digital/social media monitoring tools. • Zero-tolerance policies on workplace discrimination and compliance breaches. • Grievance redressal with an escalation matrix. • Active Stakeholder Relationship Committee oversight.

Management Discussion and Analysis

Risk Categories and Mitigation Strategies

The following table outlines key risks and mitigation strategies across Home First's operations:

Type of Risk	Description	Mitigation Measures
Credit Risk	Risk of default or deterioration in creditworthiness of borrowers or counterparties.	• Periodic evaluation of Board approved Credit Policy adherence and asset quality parameters by Credit Committee and Audit Committee. • Board-approved Credit Policy reviewed annually to ensure regulatory compliance as well as relevance and effectiveness with respect to business strategy, underlying, market scenario. • Centralized credit approvals, risk-based pricing, and exposure limits. • Technical/legal due diligence on collateral. • Independent audits and continuous training of credit personnel.
Market Risk	Losses from adverse movements in market prices or interest rates.	• Investments guided by a detailed policy focusing on high-quality instruments with strict control in terms of tenure, product, ratings, limits, and authorisation. • Regular assessment of investments and portfolio with quarterly reporting to ALCO
Operational Risk	Losses due to failed internal processes, systems, or external events.	• The Board approved Operational risk management policy enlists the processes and controls for monitoring people, systems, and processes. • Comprehensive system of internal controls, systems, and procedures to monitor transactions, employee rotations, contingency planning, insurance cover, document storage, retrieval arrangements and maintenance of backup procedures to minimize operational risks. • Independent process audits by external auditors to ensure compliance and effectiveness in unbiased manner. Outcome of such audit, along with actions taken are regular periodically presented to the Audit Committee.

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
Liquidity & Interest Rate Risk	Inability to meet obligations without adverse financial effects.	• Board approved Asset-Liability Management Policy covering liquidity forecasting and gap analysis, funding source diversification as well as maintaining strong capital adequacy. • Prudent ALM practices to ensure positive ALM flows across all buckets. Stress testing, liquidity buffers, and positive ALM flows maintained. • Quarterly monitoring of liquidity ratios, including LCR. • Robust internal control and audit process to ensure compliance and effectiveness of the policy/measures.
Compliance & Regulatory Risk	Failure to comply with legal or regulatory obligations.	• Robust compliance framework monitored by senior management through compliance tracker and reporting timelines with robust access-control and log tracking for server security. • Regulatory updates closely tracked and integrated. • Strong and agile IT framework to ensure low downtime and security risk with regular employee trainings and audit (once in two years to identify upgrade/ change requirements) ensuring effectiveness of the IT infrastructure. • Internal control and audit framework ensures adherence to measure/ framework.
Reputational Risk	Damage due to adverse public perception or regulatory scrutiny	• Governance framework with focus on applicable regulations and transparent stakeholder communication mechanisms in place which is complemented by regular training and awareness workshops. • Tracking Reputation risk related parameters, including Digital & Social Media Monitoring. • Customer grievance redressal policy with robust redressal mechanism. • Dedicated investor relations team and adherence to Regulatory disclosures.

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
IT, Cybersecurity & Information Security Risks	**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 the 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 the use of information only by legitimate users with proper authorisation. The Risk of information getting compromised or being accessed without proper authorisation exposes the organisation to Information Security Risk.	• HomeFirst has an 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 an 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
ESG Risk	Risks stemming from environmental, social, or governance issues.	• Strong framework with Board-approved ESG Policy and dedicated execution team supervised by senior management. • Commitment to sustainability through ongoing reporting and stakeholder engagement.

Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
ESG Risk	Risks stemming from environmental, social, or governance issues.	• Regular publication of Business Sustainability and Responsibility Report ("BRSR") with transparent disclosures. • Negative list/exclusion for restricting funding to inappropriate property/ development locations which may either lead to loss of life and/or deterioration in the quality of life in nearby habitats.

8. Our Financial Performance

Particulars (₹Crs)	FY25	FY24	YoY %
Interest Income on term loans	1,280.16	969.61	32.0%
Net gain on DA	91.22	63.11	44.6%
Non-interest income	167.82	123.82	35.5%
Total Income	**1,539.20**	**1,156.54**	**33.1%**
Interest on borrowings	713.37	498.66	43.1%
Net Interest Income	**566.79**	**470.95**	**20.3%**
Net Total Income	**825.83**	**657.88**	**25.5%**
Operating Expenses	295.47	232.49	27.1%
Credit Cost	28.77	25.43	13.1%
Profit before tax	**501.59**	**399.96**	**25.4%**
Tax expense	119.52	94.24	26.8%
Profit after tax	**382.07**	**305.72**	25.0%
Basic EPS	**42.83**	**34.65**	
Diluted EPS	**42.07**	**33.67**	

Key Financial Ratios

Particulars (₹Crs)	FY25	FY24	Variance
Profit after tax on average total assets (ROA)	3.5%	3.8%	- 30 bps
Leverage (Average total assets/average Equity or average Net-worth)	4.7	4.1	+ 60 bps
Profit after tax on average equity or average Net-worth (ROE)	16.5%	15.5%	+ 100 bps
Cost to Income Ratio (Operating Expenses / Net Total Income)	35.8%	35.3%	+ 50 bps
Operating Expenses / Average total assets	2.7%	2.9%	- 20 bps
Debt to equity ratio	3.8	3.4	+ 40 bps

Management Discussion and Analysis

Total Income: Our total income increased by 33.1% to ₹1,539.2 Crs for FY25 from ₹1,156.5 Crs for FY24, primarily due to increase in interest income on term loans – ₹1,280.2 Crs for FY25 (up 32.0% from ₹969.6 Crs for FY24). Interest income on term loan is driven by growth in our Principal outstanding – 30.7% for FY25. Net gain on DA is linked to higher volumes of DA transaction during the year – ₹705.3 Crs during FY25 (FY24: ₹414.1 Crs). As of Mar'25, total DA as a percentage of AUM was at 12.9% (Mar'24: 12.6%). We commenced corporate agency during FY25 and started accruing insurance income since Aug'24. This led to an increase in Fee and Commission income – ₹45.3 Crs during FY25 (FY24: ₹9.9 Crs) driving 35.5% growth in non-interest income.

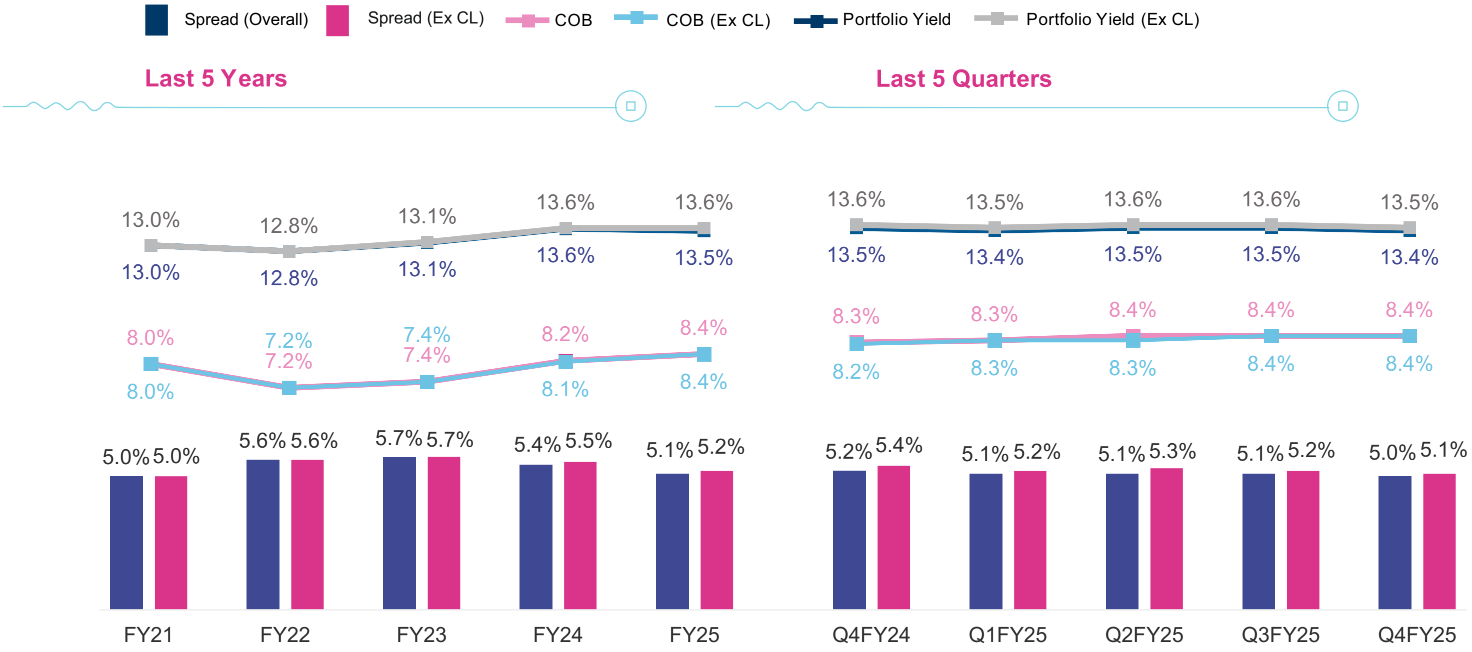
Spread on Loans: Our Spreads for FY25 are at 5.2% (excluding co-lending) as against 5.5% for FY24. During the year, our yields were flat – at 13.6% - in line with FY24 partially supported by 35bps hike in Aug'24. FY25 witnessed tight liquidity position in the banking system leading to continuous increase in deposit rates and MCLRs of the banks which caused increase in our CoB – increasing by 20 bps to 8.4% in FY25, from 8.2% in FY24.

Our strong and diversified borrowing-mix helped us in restricting the impact of tight liquidity in the system on our borrowing cost.

Operating Expenses: We continue to reap the benefits of our technology-driven, customised business flows which are complemented by our unique people strategy to ensure high productivity and thus, low cost. Despite considerable expansion in our operations – branch count (155 as of Mar'25 vs. 133 as of Mar'24) and employee count (1,634 as of Mar'25 vs. 1,249 as of Mar'24), we maintained our high productivity ratios with disbursement per employee and branch for FY25 at ₹3.3 Crs and ₹33.4 Crs respectively, in-line with FY24 – ₹3.5 Crs and ₹32.5 Crs respectively. Consequently, our opex-to-average total assets for FY25 was at 2.7% (down from 2.9% for FY24).

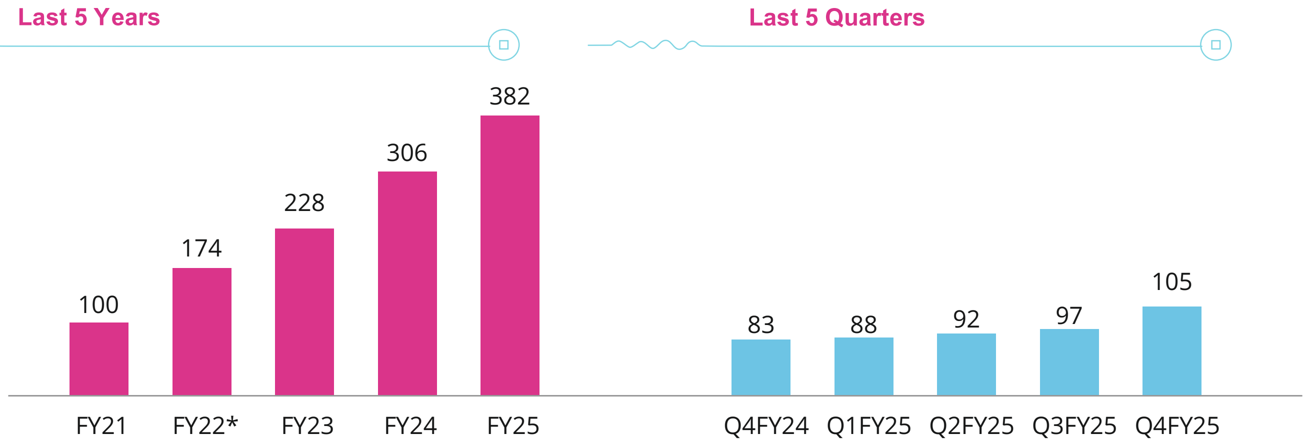
Profit After Tax (PAT): Continued increased in scale with stable asset quality and effective utilization of operating leverage has led to remarkable growth of 25.0% in our Profit After Tax (PAT), rising from ₹306 Cr in FY24 to ₹382 Cr in FY25. As a result, our Return on Equity (RoE) surpassed the critical 16% threshold, increasing from 15.5% in FY24 to 16.5% in FY25.

Net Interest Spread Movement



Management Discussion and Analysis

Profit After Tax (₹Crs)



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

Resource Mobilisation

Shareholders' Funds: Our Shareholders' Funds as on Mar'25 stood at ₹2,521 Crs. The increase was primarily due to increase in retained earnings. The capital infusion done in Apr'25 will further boost the Company's capital base with proforma Shareholders' Fund at ₹3,751 Crs.

Particulars	₹ Crs
Opening Equity as on Mar'24	2,121.49
Add: Shares issued during the year – represents increase on account of face value for the shares allotted pursuant to ESOPs exercised	0.31
Add: Increase in securities premium on account of premium received on allotment of shares	33.36
Add: Statutory Reserve transfer for the period	76.80
Add: Increase in retained earnings (net off transfer to statutory reserve)	275.67
Add: Option valuation linked credit	18.51
Add: Other Comprehensive Income	(4.86)
Closing Equity as on Mar'25	**2,521.28**

ESOP allotment: In line with our inclusive growth philosophy, we make our employee part of the growth journey of HomeFirst by making them beneficiaries of our ESOP schemes. During FY25, the company issued and allotted 15,39,373 equity shares to eligible employees through the exercise of stock options under its ESOP plans. Additionally, 11,84,000 ESOPs were granted to employees during the year as part of the HomeFirst ESOP Scheme 2021 and ESOP Scheme 2024.

Strong Capital position with healthy Capital to Risk-Weighted Assets Ratio: The company, as of Mar'25, has capital adequacy ratio of 32.84% with Tier-I at 32.47%. The capital infusion done in Apr'25 will further boost the Company's capital base and CRAR.

The table below outlines our capital-to-risk-weighted-assets ratios for the specified periods.

	Mar'25	Mar'24
CRAR (%)	32.84%	39.48%
CRAR - Tier I capital (%)	32.47%	39.08%
CRAR - Tier II capital (%)	0.37%	0.40%

Management Discussion and Analysis

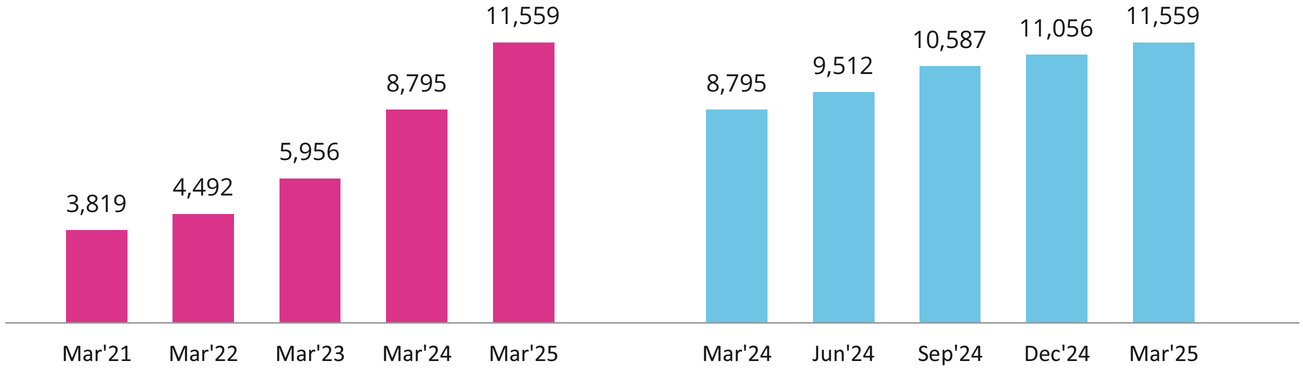
Borrowings: As we continue to scale up our operations, we aim to further diversify our borrowing sources across multiple pools of capital. The company's borrowings stood at ₹9,550.7 Crs as of Mar'25, compared to ₹7,302.1 Crs as of Mar'24.

During the year, the company successfully raised ₹5,371 Crs in funding (other than equity). Our liability management strategy emphasizes prudent diversification across 35 lending partnerships, with a strong focus on securing long-term borrowings at competitive rates. Additionally, we expanded our lending partnership expanded by adding 4 new partners including Development Finance Corporation (DFC), Canara Bank, Bandhan Bank and Aditya Birla Housing Finance Ltd.

During FY25, the Company has not issued any Commercial Paper or any Short-Term Instrument. Accordingly, the Company's Commercial Paper outstanding was NIL as at Mar'25.

Total Borrowings (₹Crs)

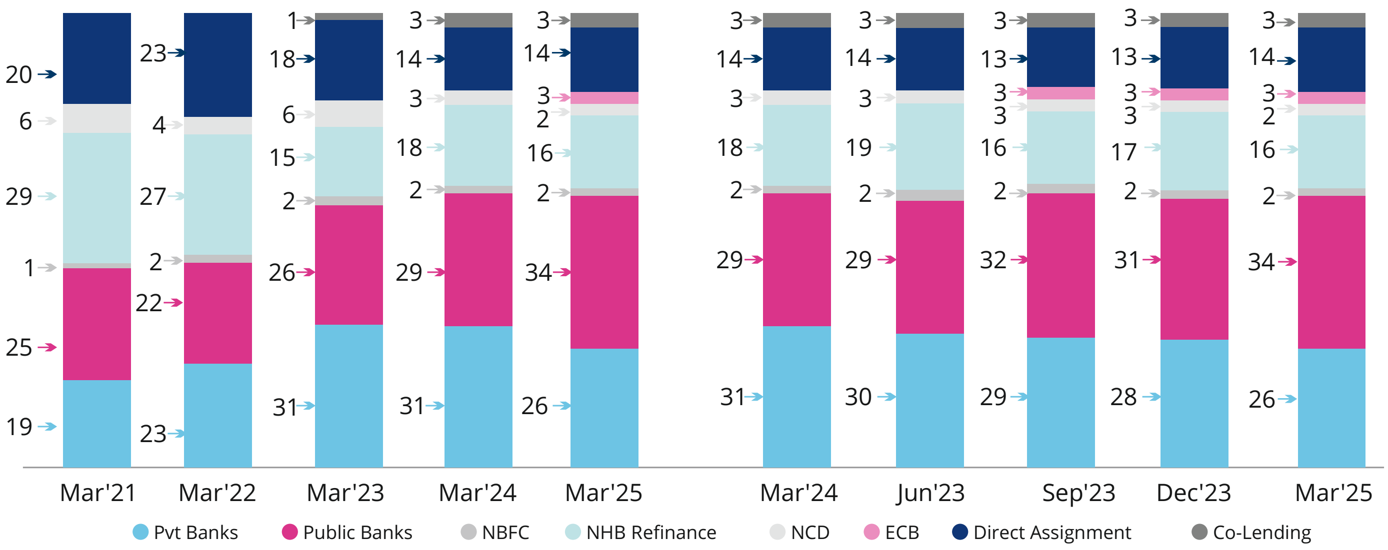
Includes Direct Assignment & Co-Lending



Borrowing Mix (in %)

Last 5 Years

Last 5 Quarters



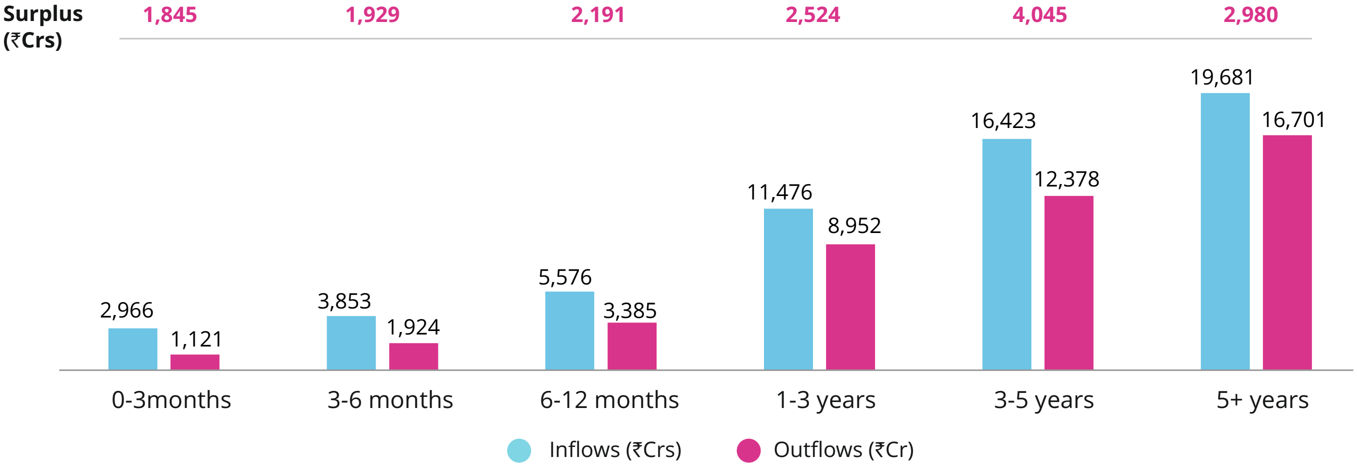
Management Discussion and Analysis

Direct Assignment: During FY25, purchase consideration of ₹705.3 Crs was received through direct assignments, leading to the de-recognition of the corresponding assets in the company's books. As of Mar'25, the total portfolio includes ₹1,636.5 Crs under direct assignment, up from ₹1,219.1 Crs in Mar'24.

Co-lending: We have co-lending partnerships with the Central Bank of India and Union Bank of India. During the FY25, we expanded our co-lending partner network by adding first private sector bank – Axis Bank. Over the fiscal year, we successfully disbursed loans amounting to ₹153.3 Crs with co-lending contributing to 2.9% of our AUM as on 31 Mar'25. Our strategy includes expanding our co-lending portfolio over the medium to long term. We believe that co-lending offers a distinctive advantage by combining the banks' access to low-cost funds with the capability of NBFCs (including HFCs) to efficiently source retail customers and manage them, including collections. Our goal is to expand co-lending transactions over the medium term.

Healthy Asset-Liability Position: HomeFirst has a disciplined approach to asset liability management (ALM). The Company carefully monitors the behavioural and contractual maturity periods of our assets and liabilities and classify them under their respective maturity buckets based on estimates and assumptions which considers relevant behavioural pattern as per historical data. As of Mar'25, the Company has positive ALM position on a cumulative basis across all buckets.

ALM Position - Cumulative as of Mar'25 (₹Crs)



Further detailing can be referred to in the Financial Capital Chapter on page no. 72

9. Credit Ratings

We retained our strong credit ratings, reaffirming our financial health and fund-raising capabilities. Improved ratings remain a priority to secure lower-cost funding in the future. With improving scale of operations, increasing profitability, capital base and lower leverage, we strive to improve further on our credit ratings in FY26.

Management Discussion and Analysis

Rating Agency	Instrument	Credit Ratings FY23	Credit Ratings FY24	Credit Ratings FY25
ICRA	Term Loans and NCD Commercial Paper	AA- (stable) A1+	AA- (stable) A1+	AA - (stable) A1+
India Ratings & Research	Term Loans and NCD Commercial Paper	AA- (stable) A1+	AA- (positive) A1+	AA- (positive) A1+
CARE Ratings	Long-term Bank Facilities	AA- (stable)	AA- (stable)	AA- (stable)

10. Human Resources

Our human resource strategy is a key pillar in our execution strength, allowing us to have high productivity and deliver optimized operating cost. We are committed to fostering an environment that supports the growth and development of our employees. Apart from hiring the right talent, we provide training on various technical aspects and soft skills and leadership skills, offer attractive compensation and career progression opportunities, while fostering a healthy culture which has increased employee retention. We have also adopted certain policies aimed at strengthening employee welfare, including the HR (Human Rights) Policy, the Equal Opportunity Policy, and the Parental Leave Policy.

For further details on training programs, employee benefits, and engagement initiatives, please refer to the Human Capital Chapter on page 81.

The Company's strong ratings reflect its healthy earnings profile, substantial capital base, solid net worth, and steady growth in operations. As of Mar'25, our employee strength increased to 1,634, compared to 1,249 in Mar'24.

11. ESG

Environment, Social, and Governance (ESG) is gaining significant traction globally, with sustainability in operations evolving into a fundamental requirement rather than just a hygiene factor. HomeFirst has positioned itself as a frontrunner, showcasing transparency in governance through comprehensive disclosures, green initiatives, and the digitalization of processes. HomeFirst's initiatives are designed to create a significant socio-economic impact on the lives of underprivileged and vulnerable communities. HomeFirst has been committed to contributing to the development of a resilient society and fostering an equitable, inclusive Indian economy. Guided by the CSR Committee of the Board and aligned with its CSR Policy, the CSR activities encompass a wide range of focus areas, including skill development, employment opportunities, children's education, school development and healthcare.

These efforts, combined with fostering a thriving and dynamic workplace environment, have earned HomeFirst an ESG Score of 46, an increase from the previous year's score of 34 from S&P Global. Morningstar's Sustainalytics continues to assign a 'Low Risk' rating on ESG Risk parameters, with a score of 16.2—the best among BFSI peers. Such recognition from leading agencies underscores HomeFirst's commitment to sustainability and exemplary corporate governance. For further details on ESG practices, please refer to the Sustainability Report starting from page 44.

12. Internal Control Systems and Internal Audit

The RBI has mandated the introduction of a Risk-Based Internal Audit for all deposit-taking housing finance companies with effect from June 30, 2022. Accordingly, HomeFirst has a Risk-Based Internal Audit Policy in place. The Company has a Head of Internal Audit, Board

Management Discussion and Analysis

to plan and conduct the Risk Based Internal Audit of various functions and locations of the Company. Also, the Company had appointed 3 firms as Joint Internal Auditors viz, M/s BDO India LLP to assist in conducting the internal audit of Head Office functions and M/s. P Chandrashekhar LLP and M/s. Kirtane & Pandit LLP to assist in conducting the internal audit of Branch functions for FY25. These firms further support the Head of Internal Audit in the process of Risk Based Internal Audit.

The Internal Auditors were tasked to conduct comprehensive audits of functional areas and operations, covering branches and HO processes which is commensurate with the size and nature of its business, to examine the adequacy of, and compliance with policies, plans and statutory requirements.

The Company has an adequate internal Control System to ensure adherence to the company's policies and procedures, compliance with applicable laws and regulations, to ensure that management information and financial reporting are correct, reliable, and complete, to enable the detection and prevention of fraud 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 Company has appointed Internal Auditors to ensure compliance with the company's policies and procedures and compliance with applicable laws and regulations. Also, the Statutory Auditors independently evaluates the internal financial controls and certifies their adequacy and effectiveness in the Audit Report. The Audit Committee of the Board reviews the performance of the internal audit, the adequacy of the internal control systems and compliance with regulatory guidelines. The Audit Committee also provides necessary oversight, gives recommendations, and monitors the implementation of such recommendations.

13. Outlook

Over last fifteen years, we have built a large affordable housing finance franchise with a unique business model driven by centralised data-science backed underwriting, granular sourcing model, curated business processes and flows which are powered by technology integration and highly motivated people. We are well-positioned to capitalise on the opportunities provided by strong underlying housing finance demand. As we strive to establish a reputable brand in the housing finance industry, we remain dedicated to becoming the “Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency.”

Cautionary Statement

This document includes forward-looking statements regarding anticipated future events, as well as the Company's financial and operational results. These statements inherently involve assumptions and are subject to risks and uncertainties. There is a considerable likelihood that these assumptions, projections, or forward-looking statements may not be accurate. Readers are advised not to place undue reliance on such statements, as various factors could lead to significant deviations between the assumptions and actual outcomes or events.

The Company does not undertake any obligation to publicly update, modify, or revise forward-looking statements considering subsequent developments.

Directors' Report

Dear Members,

Your Board of Directors' ("**Board**") are pleased to present the 16th Annual Report of Home First Finance Company India Limited (the "**Company**"/ "**HomeFirst**") together with the Audited Financial Statements for the Financial Year ended on March 31, 2025 ("**FY25**").

Company Overview:

HomeFirst is a leading technology-driven affordable housing finance company in India with a vision to empower people to live better and delivering the customer experience in a swift, transparent and unconventional manner. HomeFirst is uniquely positioned to provide home loans to underserved customers, including those with informal income documentation. The Company is dedicated to making affordable housing a reality for India's low and middle-income groups.

The Company is registered with Reserve Bank of India ('**RBI**') as a Housing Finance Company ('**HFC**') and as a Corporate Agent with Insurance Regulatory and Development Authority of India ('**IRDAI**'). Further, the Company is also listed with the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**").

FINANCIAL SUMMARY:

Financial Results:

The Company's financial performance over the past year's reflects consistent growth and profitability, underscoring its ongoing sustainability. The key highlights of the Audited Financial Statements of your Company for FY25 and a comparison with the previous financial year ended on March 31, 2024 ("**FY24**") is summarized below:

(Amount in ₹Crores)

Particulars	FY25	FY24
Total Income	1,539.20	1,156.55
Less: Total Expenses	1,037.61	756.59
Profit/ (Loss) before tax	**501.59**	**399.96**
Less: Current tax	113.90	94.46
Less: Deferred tax	5.62	(0.22)
Profit after Tax	**382.07**	**305.72**
Other Comprehensive Income	(0.36)	(0.23)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(76.80)	(61.50)
Balance carried to Balance Sheet	**304.91**	**243.99**
Earnings per Share (Face Value ₹2)		
Basic (₹)	42.83	34.65
Diluted (₹)	42.07	33.67

The Financial Statements for the FY25, forming part of this Annual Report, have been prepared in accordance with IndAS notified under Section 133 of the Companies Act, 2013 (the "**Act**") and other relevant provisions of the Act.

Directors' Report

State of Company's Affairs:

'Housing for All' has been the Company's enduring vision, driving its commitment to providing loans for affordable housing to low- and middle-income group. This vision is further reinforced with a pan-India presence through 155 physical branches and 361 touchpoints led by technology-driven distribution, diversified funding sources, and strong risk management practices and contiguous expansion. In FY25, your Company's customer-centric approach played a crucial role in achieving a key milestone of crossing of ₹10,000 Crores in Assets Under Management ("**AUM**"). As on Mar'25, the AUM of the Company was ₹12,712.72 Crores.

Post the end of FY25, your Company, has successfully raised primary capital amounting to ₹1,250 Crores from Qualified Institutional Buyers by way of issuance of Equity Shares in accordance with the Qualified Institutions Placement as defined in SEBI (ICDR) Regulations. In pursuance of the said transaction, the Company has raised capital from foreign institutional investors, domestic mutual funds and insurance companies – both new and existing – affirming strong and continued confidence of shareholders in the Company.

Dividend:

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Company has formulated and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the website of the Company.

In view of the overall performance of the Company during FY25, the Board at its meeting held on May 1, 2025 has recommended a final dividend of ₹ 3.70/- per equity shares with face value of ₹2/- (Rupees Two only) each, which is equivalent to 185% of the face value of the equity shares, subject to the approval of the members at its ensuing Annual General Meeting of the Company, to be paid out as dividend. The Dividend payout ratio for FY25 shall be 10%, if approved by the shareholders.

In terms of the provisions of the Income Tax Act, 1961, dividend income is taxable in the hands of the members, and therefore will be subject to deduction of applicable tax. The Company has not declared any interim dividend during the financial year under review.

Unclaimed Dividend:

As on March 31, 2025, dividend amounting to ₹68,043/- relating to dividend declared in FY23 and ₹65,092.40/- relating to dividend declared in FY24 had not been claimed by the shareholders of the Company and the same has been transferred to Unclaimed Dividend Account of the Company. The Company has been following up with these shareholders to claim their dividend. A list of all the shareholders who have not claimed their dividend is hosted on the website of the Company.

Transfer to Reserves:

Pursuant to Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. During the financial year under review, the Company transferred ₹76.80/- Crores out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

Business Update:

'*Foundations of Change*' – Purchasing a home is a transformative milestone that marks a significant change in an individual's life bringing stability, security, and a profound sense of belonging. For many, home ownership instils a renewed sense of responsibility and pride, paving the way for lifestyle enhancements that often include children's education, and long-term financial security. HomeFirst plays a pivotal role in enabling this change by offering simple, customised financial solutions. With a strong focus on transparency, customer care, and timely support, HomeFirst helps families turn their dream of home ownership into a strong and secure reality. For HomeFirst, this "Foundation of Change" is not just a vision — it is reflected in every home built, every family supported, and every dream fulfilled.

Directors' Report

During the financial year under review, your Company has added 40 touchpoints including 22 branches, with a growing focus on the emerging affordable housing finance markets across the country. During the financial year under review, your Company has disbursed ₹4,805.26 Crores. The Company's Assets Under Management ("**AUM**") as at Mar'25 was ₹ 12,712.72 Crores; a YoY growth of 31.1%; while providing loans to more than 35,000 customers. ~89% of the borrowers in FY25 are women, while loans given to EWS / LIG borrowers account for 61% of our AUM.

During the FY25, your Company has also collaborated with 35 lenders and has raised ₹ 5,371 Crores through various modes. The Company is supported by a dedicated team of 1,634 employees to ensure sustainable growth while fulfilling our mission of making affordable housing a reality for all.

Key areas of business operations:

Product Offerings:

HomeFirst offers a comprehensive range of home loan products tailored to meet the diverse needs of its customers. These include, loans for the purchase or construction of residential properties and for the extension and repair of existing housing units.

Technology-Driven Processes:

The Company integrates technology in its operations to streamline processes, enhance customer experience, and improve efficiency. HomeFirst leverages digital tools to simplify the paperwork, approval, and tracking processes. This has not only reduced turnaround time for loan approvals but also improved accuracy of information, improved transparency and customer engagement keeping operating costs low.

Branch Network and Geographical Reach:

HomeFirst has established a strong physical presence across India, currently operating in 13 states/UTs with 155 branches and 361 touchpoints. This extensive network allows the Company to reach a wide customer base, particularly in semi-urban and rural areas where the demand for affordable housing is increasing. Owing to wider presence, your Company is able to understand the needs of different regions and customers and is able to provide better service.

Furthermore, your Company has a tie-up with 5 insurance companies, consisting of 4 life insurers and 1 general insurer, which has resulted in increase in the corporate agency business.

The highlights of the Company's performance during FY25 are as follows:

- The AUM as at Mar'25 amounted to ₹12,712.72 Crores vis-à-vis ₹9,697.83 Crores in the previous year; a year-on-year growth of 31.1%.
- The profit before tax for FY25 increased by 25.4% to ₹501.59 Crores (FY24: ₹399.96 Crores). The profit after tax for FY25 increased by 25% to ₹382.07 Crores (FY24: ₹ 305.72 Crores).
- Strong Capital Adequacy ratio of 32.8 % as of Mar'25.
- Stable Asset Quality - The Gross Non-Performing Assets (GNPA) as on Mar'25 was 1.7 % of the total loan book of the Company and corresponding Net Non-performing Assets (NNPA) was 1.3% as compared to GNPA of 1.7% and NNPA of 1.2% as at Mar'24.
- The Net Interest Income reported for the year was ₹566.79 Crores vis-à-vis ₹ 470.95 Crores in FY24.
- The Net Worth of the Company as on March 31, 2025 was ₹ 2,521.28 Crores (FY24: ₹2,121.49 Crores).

HomeFirst's commitment to sustainable growth is supported by sustainable business practices, fostering a positive impact on the environment, empowering communities, and maintaining the highest standards of governance. This commitment has proven successful, as the ESG rating provided by the S&P Global ESG Score has improved significantly from 34 in FY24 to 46 in FY25, reflecting our unwavering dedication to environmental, social, and governance excellence.

RESOURCES AND LIQUIDITY:

Your Company has made significant efforts in strengthening its asset-liability profile by diversifying its funding sources. This was achieved through a well-balanced mix of term loans, external commercial borrowing, direct assignments and NHB refinancing. The Company has maintained a practice of not raising funds through commercial paper and minimized exposure to short-term market fluctuations. The total borrowing limit as approved by the Shareholders is ₹15,000 Crores

Directors' Report

(Rupees Fifteen Thousand Crores only). Also, the Liquidity Coverage Ratio ("**LCR**") for Q4FY25 was 155.92% as against the regulatory requirement of 85%.

The details of resources and liquidity of the Company is as follows:

- **Terms loans and others borrowings:**

During the financial year under review, the Company has availed fresh bank facilities of ₹ 3,425 Crores from various banks and financial institutions.

As at March 31, 2025, the outstanding debt from banks and financial institutions stood at ₹ 7,101.52 Crores.

- **Refinance:**

Your Company availed refinance facilities of ₹ 500 Crores from the National Housing Bank under various refinance schemes during the financial year under review.

As of March 31, 2025, the outstanding debt from NHB stood at ₹1,864.37 Crores.

- **Direct assignment and co-lending:**

During the financial year under review, your Company has raised ₹663.19 Crores under direct assignment route (the total transaction undertaken during the year stood at ₹705.33 Crores).

Also, during the financial year under review, your Company has originated ₹ 153.31 Crores under the co-lending route for its various partners.

- **External Commercial Borrowings:**

During the financial year under review, the Company has also raised funds up to USD 75 Million which is equivalent to ₹629.78 Crores, in the form of External Commercial Borrowings (ECBs) from financial institution in order to fund to customers where women serve as a primary or co-borrower and to be more focussed in tier 2 cities. Furthermore, the Company do not carry any exchange risk as the principal repayment and interest payments amounts are fully hedged.

As of March 31, 2025, the outstanding debt in the form of ECB stood at ₹299.97 Crores (the remaining amount remained unavailed).

- **Non-Convertible Debentures:**

During the financial year under review, there was no new borrowing made through NCDs. As at the end of FY25, the Company has outstanding secured, unlisted NCDs amounting to ₹280 Crores (as per IND-AS amounts outstanding as at Mar'25 stood at ₹284.84 Crores). Your Company has been regular in making payments of principal and interest on NCDs, as per the terms and conditions of the NCDs. The Company has complied with the provisions of Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, SEBI (Issue and Listing of Non - Convertible Securities) Regulations, 2021, SEBI Listing Regulations and the Act.

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 credit ratings assigned by Credit Rating Agencies as under:

(Amount in ₹Crores)

Instrument	Rating Agency	Rating	Outlook	Amount
Term Loan	ICRA	AA-	Stable	4,500
	India Ratings	AA-	Positive	4,100
	CARE	AA-	Stable	1,014
Commercial Paper	ICRA	A1+	-	100
	India Ratings	A1+	-	100
Non-Convertible Debentures	ICRA	AA-	Stable	561
	India Ratings	AA-	Positive	400

During FY25, there has been no change/migration of the credit rating of the Company.

Directors' Report

CAPITAL ADEQUACY RATIO:

As required under the RBI Master Directions, your Company must maintain a minimum capital adequacy ratio of 15%. As of March 31, 2025, the Company's capital adequacy ratio stands at 32.8% (March 31, 2024: 39.5%), with a Tier I Capital Adequacy Ratio of 32.4%. This remains well above the regulatory requirement showing the Company's stable financial position.

DEPOSITS:

As a non-deposit-taking Housing Finance Company, during the financial year under review, your Company has neither accepted nor renewed any amounts falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014. Therefore, the requirement to provide details of deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with it does not apply to the Company.

AWARDS & RECOGNITIONS:

During the financial year under review, the Company was declared the winner in the category 'Best ESG Initiatives and Class NBFCs, Digital Payments and Lending Firms' at the 19th ASSOCHAM Annual Summit & Awards on Banking and Financial Sector Lending, held in Mumbai.

CHANGE IN THE NATURE OF BUSINESS:

During the financial year under review, there has been no change in nature of business of the Company.

ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION:

During the financial year under review, the Company has not altered its Memorandum of Association and Articles of Association.

DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES OR HOLDING COMPANY:

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

Also, the Company does not have any holding company as well.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2025 AND DATE OF THIS REPORT:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report, except allotment of equity shares amounting to ₹1,250 Crores pursuant to the qualified institutions placement ("**QIP**") which is already disclosed in this report.

SHARE CAPITAL:

Authorized Share Capital:

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

Issued, Subscribed and Paid-up Share Capital:

During the financial year under review, the Company allotted 15,39,373 Equity Shares to employees on exercise of stock options granted under ESOP 2012 Scheme, ESOP II Scheme and ESOP 2021 Scheme.

Pursuant to the aforesaid allotments of equity shares, the issued, subscribed and paid-up share capital of the Company stands increased to ₹18,01,11,080/- (9,00,55,540 Equity Shares of Face Value ₹2 each) as at Mar'25.

Furthermore, during the financial year under review, the Board of Directors at their meeting held on January 28, 2025 and the shareholders vide their special resolution dated March 13, 2025 had approved the issuance and allotment of equity shares amounting to ₹1,250 Crores under the qualified institutions placement as defined under SEBI (ICDR) Regulations. The allotment was made on April 11, 2025 (post the balance sheet date) by allotment of 1,28,86,597 equity shares at price of ₹ 970/- (including face value of ₹2/- each). The post allotment share capital of the Company stands at ₹ 20,58,84,274/- comprising 10,29,42,137 equity shares of face value ₹2/- each.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All Related Party Transactions (RPTs) that were entered during the financial year were in the ordinary course of business and on arm's length basis. The Company had duly obtained Omnibus approval from the Audit Committee to enter into RPTs. The RPTs are in the nature of sitting fees and commission paid to Independent

Directors' Report

Directors and remuneration paid, ESOPs exercised and out of pocket expenses reimbursed to the KMPs. The details of transactions with related parties were placed before the Audit Committee and Board on quarterly basis. The Company has not entered into any material transactions with related parties during the financial year.

The disclosure of particulars of contracts/arrangements entered by the Company with related parties referred to in Section 188 of the Act in Form AOC-2 is annexed as **Annexure I.**

Further as required by Master Directions – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions ("**RPT Policy**") is annexed as **Annexure II** and the same can be accessed on the website of the Company at RPT Policy.

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

Since your Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report. However, the Company has given the details of its initiative 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. However, the expenses made in foreign currency are detailed out as below:

(Amount in ₹Crores)

Sr no	Particulars	FY25	FY24
1.	Directors related fees	0.19	-
2.	Software license fees	1.82	1.46
3.	Bank charges and processing fees	5.57	0.04
4.	Interest expense on foreign currency borrowings	41.49	9.86
5.	Recruitment expenses	-	0.03
6.	Professional fees	0.13	-
	Total	**49.20**	**11.39**

ANNUAL RETURN:

In pursuance of Section 92(3) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company, i.e., www.homefirstindia.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

As your 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 financial year under review, 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's inclusive and diverse Board of Directors work to safeguard the interests of all stakeholders.

As on Mar'25, the Company had 8 Directors comprising four (4) Independent Directors out of which two (2) are Women Independent Directors, three (3) Nominee Directors and 1 (one) Executive Director designated as Managing Director and CEO. The Chairman of the Board is an Independent Director.

Directors' Report

Details of Board of Directors along with the Key Managerial Personnel as on Mar'25 is mentioned below:

Name	DIN/PAN	Designation
Mr. Deepak Satwalekar	00009627	Chairman and 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 and Compliance Officer

**Ceased to be director with effect from May 02, 2025*

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act.

Appointment / Resignation of Directors:

During the financial year under review, there has been no change in the Board of Directors of the Company. However, consequent to the expiration of first term of Mr. Deepak Satwalekar (DIN: 00009627) as an Independent Director, the Board at its meeting held on May 8, 2024, as recommended by NRC, re-appointed Mr. Deepak Satwalekar for his second term for a period of 5 consecutive years w.e.f. October 23, 2024, which was subsequently approved by the members at the 15th Annual General Meeting held on June 20, 2024. The members have also approved the continuation of directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN:00009627) beyond the age of 75 years till the expiry of his second term.

Subsequent to the end of financial year, Mr. Maninder Singh Juneja (DIN: 02680016) has tendered his resignation from the Board of the Company with effect from May 2, 2025. Accordingly, the Board now comprises of seven directors, of which four are Independent Directors.

Key Managerial Personnel (KMP):

During the financial year under review, there was no change in the Key Managerial Personnel of the Company. In terms of the Act, the following were the KMPs of the Company as on Mar'25:

a. Mr. Manoj Viswanathan – Managing Director and Chief Executive Officer

b. Ms. Nutan Gaba Patwari – Chief Financial Officer

c. Mr. Shreyans Bachhawat – Company Secretary & Compliance Officer

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 provisions of Section 149(6) of the Act read with Regulation 16 of SEBI Listing Regulations; stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

The Board is of the opinion that the Independent Directors of the Company are eminent persons and possess requisite qualifications, integrity, expertise and experience (including the proficiency). As required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have confirmed that they have registered their names with the data bank maintained by the Indian Institute of Corporate Affairs and they have either undertaken the online proficiency self-assessment test or are exempted therefrom.

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

Directors' Report

appointed as Director, as per the criteria prescribed by RBI and IRDAI.

Director(s) Retiring by Rotation:

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

In accordance with provisions Section 152 of the Act, Mr. Divya Sehgal (DIN: 01775308), Nominee Director of the Company, being longest in the office, retires at the ensuing Annual General Meeting and is eligible and has offered himself for re-appointment. A brief profile of Mr. Divya Sehgal is provided in the annual report.

Performance Evaluation of the Board, Committees and Individual Directors:

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

The Board evaluates each director's performance as well as that of the Committees viz. Audit Committee, Nomination & Remuneration Committee, CSR & ESG Committee, Stakeholder Relationship Committee, IT Strategy Committee and Risk Management Committee, as well as the performance of each Independent Director.

A separate meeting of Independent Directors was convened on March 13, 2025 for FY25 in the absence of the Non-Independent Directors and the Company's Management. In order for the Board to carry out its responsibilities in an efficient and responsible manner, the Independent Directors have evaluated and reviewed the performance of the Non-Independent Directors as well as the Board's overall performance in terms of the quantity, quality, and timeliness of information exchanged between the Management and the Board and has also reviewed the performance of the Chairperson and Board Committees of the company, taking into account the views of executive directors and non-executive directors.

Corporate Governance Report:

Maintaining high standards of corporate governance has been at the core of our company's operations. The Company believes about corporate governance as more than just adhering to regulatory requirements which includes upholding transparency, fairness, and integrity, ensuring effective internal controls at every level of operation, and providing timely and comprehensive disclosures to its shareholders. Your company is of the opinion that achieving the highest standards of corporate governance requires an active, well-informed, and independent Board to oversee and guide the company's operations. A separate report on Corporate Governance is provided regarding compliance of conditions of Corporate Governance as stipulated under SEBI Listing Regulations as **Annexure III** to this report.

Your Company is compliant with all the applicable provisions of the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 (NHB Directions) issued by National Housing Bank vide its notification no. NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated February 9, 2017 and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve bank of India, as amended from time to time.

A certificate from M/s. Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as prescribed under the SEBI 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 Regulations, M/s. Bhatt & Associates Company Secretaries LLP have stated that for FY25, 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 and the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) annual certification on financial statements and internal controls in terms of Regulation 17(8) of the SEBI LODR Regulations is also annexed to the Corporate governance report.

Directors' Report

Internal Guidelines on Corporate Governance:

As on Mar'25, 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 and lays down the Corporate Governance practices of the Company towards its various stakeholders. The said policy is available on the website of the Company and can be accessed at Corporate Governance Policy.

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

The Nomination and Remuneration Committee has established criteria to determine the qualifications, positive attributes, and independence of directors, guidelines for the remuneration of directors, key managerial personnel, and other employees, as well as a process for evaluating the performance of directors, the chairperson, non-executive directors, and the board overall. The salient features of the policy are given in the Corporate Governance Report which forms part of Annual Report. The policy may be accessed on the Company's website at Nomination and Compensation policy.

Further as required by Master Directions – Non-Banking Finance Company -Housing Finance Company (Reserve Bank) Directions, 2021 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time, 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.

Code of Conduct for directors and Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel of the Company is in conformity with the requirements of the SEBI Listing Regulations and is placed on the website of the Company. All the Directors of the Company and Senior Management Personnel have affirmed compliance with Company's Code of Conduct for Directors and Senior Management during the financial year and a declaration to that effect, signed by the Managing Director & CEO of the Company is enclosed to this Annual Report.

Directors & Officers Insurance Policy

The Company has an appropriate Directors and Officers Liability Insurance Policy which provides indemnity in respect of liabilities incurred as a result of their office. The policy is renewed every year. The coverage of the insurance extends to all directors of the Company including the Independent Directors.

Management Discussion and Analysis:

In accordance with the SEBI Listing Regulations and Master Directions issued by the Reserve Bank of India, the Management Discussion and Analysis Report (MD&A) forms part of this annual report.

Business Responsibility and Sustainability Reporting ('BRSR'):

In terms of Regulations 34(2)(f) of the SEBI Listing Regulations, 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 FY25 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 Company being amongst top 1000 listed entities, have included the BRSR report as a part of the Annual Report as **Annexure VII.**

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

Board and Committee Meetings:

During FY25, the Board of Directors of the Company met 4 times i.e. on May 8, 2024, July 25, 2024, October 24, 2024 and January 28, 2025. 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.

Directors' Report

There are six Board committees of the Company which under supervision of the Board perform the task as per their charter. The details of the committees as on Mar'25 are:

Sr. No.	Name of Committee	Members (Designation)
1.	Audit Committee	Ms. Sucharita Mukherjee (Chairperson) Ms. Geeta Dutta Goel (Member) Mr. Anuj Srivastava (Member) Mr. Maninder Singh Juneja (Member)
2.	Nomination and Remuneration Committee	Ms. Geeta Dutta Goel (Chairperson) Mr. Anuj Srivastava (Member) Mr. Narendra Ostawal (Member)
3.	CSR and ESG Committee	Ms. Geeta Dutta Goel (Chairperson) Ms. Sucharita Mukherjee (Member) Mr. Manoj Viswanathan (Member)
4.	Stakeholders Relationship Committee	Ms. Sucharita Mukherjee (Chairperson) Mr. Maninder Singh Juneja (Member) Mr. Manoj Viswanathan (Member)
5.	Risk Management Committee	Mr. Maninder Singh Juneja (Chairperson) Ms. Sucharita Mukherjee (Member) Mr. Narendra Ostawal (Member) Mr. Manoj Viswanathan (Member) Ms. Nutan Gaba Patwari (Member) Mr. Ajay Khetan (Member) Mr. Ashishkumar Darji (Member)
6	IT Strategy Committee	Mr. Anuj Srivastava (Chairperson) Mr. Maninder Singh Juneja (Member) Mr. Manoj Viswanathan (Member) Mr. Ajay Khetan (Member)

During the financial year under review, the Board, after deliberations, has accepted all the recommendations of Board Level Committees. A detailed report on all the committees including their terms of reference, number of times they met etc., is there in the corporate governance report which forms part of this report.

Whistle Blower Policy / Vigil Mechanism:

In accordance with the provisions of Section 177(9) of the Act and the rules made thereunder and Regulation 22 of the SEBI Listing Regulations, the Company has established Vigil mechanism and adopted a Whistle-blower 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 Whistleblower Policy.

Corporate Social Responsibility (CSR:

The CSR projects of the Company are mainly focused on four pillars viz. Skilling and Employment, Education and Development, Health Initiatives and Financial Literacy in compliance with the CSR Policy of the Company which is duly approved by the Board. The CSR Policy can be accessed on the website of the Company.

Directors' Report

During the financial year under review, your Company was required to spend 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects and accordingly the Company has spent ₹ 621.57 Lakhs on various CSR activities. The details of CSR Projects undertaken are enclosed herewith as **Annexure IV.** The projects undertaken by the Company are in accordance with Schedule VII of the Act read with the relevant rules and the CSR policy of the Company.

RISK MANAGEMENT FRAMEWORK:

The inherent nature of the business of the Company involves various risks enhanced by macroeconomic conditions. The Company has consistently prioritized the identification, assessment, and mitigation of these risks. The key risks which your company is exposed are credit risk, market risk (such as interest rate and currency risk), liquidity risk, operational risk and information security risk which encompasses technology, personnel, operational, and reputation risks.

Your Company has implemented an effective Risk Management Control Framework designed to address and mitigate all the risks mentioned above. Leveraging a wealth of cross-domain industry experience, the Company's Directors and senior management team constitute the Risk Management Committee ('RMC') to tackle these challenges. The Company's ability to grow sustainably over the years while maintaining good asset quality is a testament to its capacity to identify and mitigate risks effectively. Throughout the year, the RMC convened multiple times to actively monitor emerging risks that could potentially impact the company. The Chief Risk Officer (CRO) is responsible for identifying, quantifying, and mitigating these risks. Additionally, the CRO meets with the RMC at least once a quarter, without the presence of the management team, to discuss the risks faced by the company and the strategies in place to manage them.

The Company has established a robust structure to ensure that its systems, policies, processes, and procedures are regularly reviewed to identify and mitigate any risks that may arise. To manage these risks, existing controls are continuously evaluated, and any necessary improvements or enhancements are implemented based on the assessment. The involvement of various sub-committees, such as the ALCO, Credit Committee, IT Steering Committee, Grievance Redressal Committee, Information Security Committee and Identification Committee, along with the introduction of the RBIA framework, has further strengthened the overall risk management framework.

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

AUDITORS AND REPORTS:

(A) Statutory Auditors

Appointment of Auditors:

During the financial year under review, Pursuant to the provisions of Sections 139 of the Act and Rules made thereunder, M/s. B S R & Co. LLP ("**Statutory Auditors**"), Chartered Accountants, Firm registration no: 101248W/W-100022, were appointed as the Statutory Auditors of the Company for a term of 3 years at the 15th Annual General Meeting held on June 20, 2024 till the conclusion of 18th Annual General Meeting of the Company to be held in the year 2027.

Qualification/ Reservation/ Adverse remark / Disclaimer of Statutory Auditors on Financial Statements for FY25:

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 FY25.

Reporting of Fraud:

During the financial year under review, the Company has reported 11 loan accounts amounting to ₹ 2.51 Crores as fraud and informed the same to the Board, Audit Committee and the Statutory Auditors of the Company. Subsequently, upon receipt of the such information from the Company and in compliance with Section 143(12) of the Companies Act, 2013, the Statutory Auditors, have reported 10 instances of fraud (from the above 11) amounting to ₹ 2.15 Crores to the Audit Committee of the Company and the Ministry of Corporate Affairs. Furthermore, the Company had also made requisite filings with the National Housing Bank in this regard.

These fraud cases were committed through impersonation of buyers (borrowers) and sellers and forgery of identity and property ownership documents, by a group of individuals. The Company has undertaken the various remedial actions such as a) Strengthened

Directors' Report

internal controls to prevent recurrence b) Separate underwriting team set up for specific types of loans c) New lawyers and valuers have been appointed.

Internal Auditors:

In accordance with the RBI guidelines on Risk Based Internal Audit having circular Ref. No. DoS.CO. PPG.SEC/03/11.01.005/2021-22 dated June 11, 2021, the Company has appointed a Head of Internal Audit, as approved by NRC and Board to plan and conduct the Risk Based Internal Audit of various functions and locations of the Company.

Further, in accordance with Section 138 of the Act, the Company had appointed 3 firms as Joint Internal Auditors viz, M/s BDO India LLP to assist in conducting the internal audit of Head Office functions and M/s. P Chandrasekar LLP and M/s. Kirtane & Pandit LLP to assist in conducting the internal audit of Branch functions for FY25. These firms further support the Head of Internal Audit in the process of Risk Based Internal Audit.

The Internal Auditors were tasked to conduct comprehensive audits of functional areas and operations to examine the adequacy of and compliance with policies, plans and statutory requirements. For the financial year under review, the Internal Auditors have not submitted material qualifications, reservations or adverse remarks or disclaimers.

Secretarial Auditors:

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 FY25.

Further, pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has approved, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company, appointment of M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for a term of 5 years starting from FY26. The Company has received a consent letter from M/s Aashish K. Bhatt & Associates, that they are not disqualified and are eligible to hold the office as Auditors of the Company, if appointed. Consequently, M/s. Bhatt & Associates Company Secretaries LLP who were reappointed as Secretarial auditor of the Company for a period of 2 years starting from FY25 ceased to be the Secretarial Auditors of the Company.

Annual Secretarial Compliance Report:

The Secretarial Auditors have not submitted any qualifications, reservations or adverse remarks or disclaimers. The Secretarial Audit report has been annexed to this Report as **Annexure V**. Further, the Secretarial Auditors have not reported any instances of fraud in terms of Section 143 (12) of the Act.

As per Section 134(3)(f) of the Act, the Board states that during the financial year under review, there were no adverse comments or disqualifications made by the Secretarial Auditor of the Company, during the course of their audit.

Secretarial Standards:

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

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.

HUMAN RESOURCE:

HomeFirst's most valuable asset is its people. The Company has implemented practices that foster a work culture focused on providing employees with the best opportunities, while also attracting, retaining, and developing talent in an increasingly competitive market. All employees, regardless of tenure, are given structured learning opportunities as required for their function, level, and areas of interest. The Company focuses on equipping employees with practical knowledge and skill-based training for their roles; at mid-levels, the emphasis shifts to building management competencies, and at senior levels, it centers on leadership development. To ensure exceptional service standards for both internal and external stakeholders, employees are equipped with a blend of functional and behavioral skills. The Company has offered both online and offline training to enhance knowledge and skills of the employees throughout the

Directors' Report

year. The Company also provides various soft skills and leadership skills trainings to assist them in reaching their maximum potential. The trainings that are provided to employees are Induction, T-20 training, Homefirst EVO training, "So far so good" training, Aspire Program, Executive Masters of Business Administration, Head Office Training - designating functional leaders as in-house trainers, Internal Job Posting, Customised trainings for head office and mid-senior level employees.

Your Company is committed to being an equal-opportunity employer. In addition to nurturing a diverse workforce across age, gender, and socioeconomic backgrounds, the Company has also cultivated a positive and inclusive work environment. As part of its philosophy, the company hires who have obtained their management degrees, through comprehensive campus recruitments programs, providing them with on-the-job training to help them realize their full potential and offering them a clear career path within the organization. The well-being of our employees has always been a top priority. To support their physical and emotional health, the Company has partnered with several organizations to offer counseling services. Additionally, the Company provides a mediclaim policy for employees and their immediate family members, as well as term life and accidental coverage for its employees.

Your Company has also adopted key policies aimed at strengthening employee welfare, including the Human Rights Policy, the Equal Opportunity Policy and the Parental Leave Policy.

As of Mar'25, there were 155 branches and 1,634 employees working for the Company.

EMPLOYEE STOCK OPTION SCHEMES:

During the financial year under review, your Company at its Annual General Meeting held on June 20, 2024 has formulated new ESOP scheme 2024. This scheme has been introduced to provide opportunity to eligible employees to participate in Company's success and promote the culture of employee ownership and provide them an opportunity to take part in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention. The Company has in total four Employee Stock Option Schemes, which enables the employees to participate in its future growth and success.

In terms of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures for FY25 with respect to all the ESOP Schemes have been provided on the website of the Company at www.homefirstindia.com.

Employee Remuneration:

In terms of Section 197 of the Act read with Rule 5(1) 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.

In terms of the provisions of Section 136 of the Act read with the said Rule, the Directors' Report is being sent to the shareholders excluding the annexure. 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:

The Company has zero tolerance towards sexual harassment at the workplace and has strong policy on 'Prevention of Sexual Harassment' at workplace to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide a procedure for redressal of complaints pertaining to such harassment. In order to sensitize the employees about the policy, the Company has hosted POSH Policy on the website of the Company and also disseminated to all employees of the Company.

The Company also has an Internal Complaints Committee (ICC) constituted in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with its allied Rules. The committee is responsible for conducting inquiries pertaining to complaints under the Act. Specialized training for ICC members is conducted every year and all the employees undergo POSH training module periodically.

Directors' Report

During the financial year under review, ICC has received one complaint of sexual harassment from the employee of the Company, on which due action was taken. The Annual Report as required under Section 21 of the POSH 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 duly complied with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Scale Based Regulations, SEBI (Listing and Obligations of Disclosure Requirements) Regulations, 2015, IRDAI (Registration of Corporate Agent) Regulations 2015and other guidelines, circulars and directions issued by, RBI, SEBI and IRDAI from time to time. The Company has adopted all the Policies as recommended by regulatory authorities from time to time. Also, being an insurance intermediary, Company is maintaining and complying with all the required information/ compliances as per IRDAI regulations.

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 SIGNIFICANT AND MATERIAL ORDER(S) PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

During the financial year under review, there were no significant and material order(s) passed by the Regulators/ Courts/ Tribunal which would impact the going concern status of the Company and its future operations.

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 31, 2025, 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 Mar'25, 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;

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 financial 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 financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme

Directors' Report

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 financial 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.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not applicable during reporting period.

ACKNOWLEDGEMENT AND APPRECIATION:

The Board of Directors places its gratitude and appreciation for the support and cooperation from all the 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, Insurance Regulatory Development Authority 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. The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company for an excellent year of performance.

The Board would like to thank all the stakeholders 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

Sd/-
Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Date: May 01, 2025
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(s) 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: **During FY25, there has been no transaction with related party, except the remuneration and ESOPs exercised by the Directors and KMPs of the Company. The details of remuneration and ESOP exercise, as applicable, paid to directors and KMP has been appropriately disclosed in the financial statements and the directors report.**

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

Sd/-
Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Sd/-
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 Companies Act and Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

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

3. Definitions:

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

b. "**Arms' length transaction**" means a Transaction between two related parties that is conducted as if they were unrelated, so that 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.

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

f. "**Ordinary Course of Business**" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of

Directors' Report

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.

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

- (i) they are members of a Hindu undivided family; or
- (ii) they are husband or wife; or
- (iii) one person is related to the another in the following manner, namely:
  - a. father, includes step-father
  - b. mother, includes step-mother
  - c. son includes step-son
  - d. son's wife
  - e. daughter
  - f. daughter's husband
  - g. brother includes step-brother
  - h. sister includes step-sister

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

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

h. "**Related Party Transactions**" means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023.

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

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

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - (i) payment of dividend;
  - (ii) subdivision or consolidation of securities;
  - (iii) issuance of securities by way of a rights issue or a bonus issue; and
  - (iv) buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/ offered to all shareholders /public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time;
- (e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/ offered to all employees and directors.

Directors' Report

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

j. "**Material Modification**" in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 20% of transactions, in each case, over and above the approved limits.

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

4. Disclosure by Directors

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

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

5. Identification of related parties and related party transactions

(a) Identification of related parties

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

(b) Identification of related party transactions

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

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

6. Determination of approval level based on nature of transaction

(I) Audit Committee approval

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

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

(c) The Audit Committee shall consider the following factors while deliberating the Related Party

Directors' Report

Transactions for its approval:

i. name of party and details explaining nature of relationship;

ii. duration of the contract and particulars of the contract and arrangement;

iii. nature of transaction and material terms thereof including the value, if any;

iv. manner of determining the pricing to ascertain whether the same is on Arm's Length Basis;

v. business rationale for entering into such transaction; and

vi. any other information relevant or important for the Board to take a decision on the proposed transaction.

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

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

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

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

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

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

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

(II) Board of Directors approval

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

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

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

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

(III) Shareholders' approval

All Related Party Transaction which falls under first proviso to section 188 of the Act and exceeds the threshold limit as prescribed under rules made thereunder (as amended/modified from time to time) or material related party transactions and subsequent material modification under Regulation 23 of SEBI 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 and to the Company Secretary and referred for the approval /review by the Audit Committee in accordance with this Policy.

Directors' Report

(b) Omnibus Approval:

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

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

iii. Such omnibus approval shall specify (a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into and (b) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5-10%).

In case where the Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for those kinds of transactions, subject to a financial value not exceeding ₹1 Crore per transaction or such other higher limit as may be prescribed under the applicable law from time to time.

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

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

(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 FY25

Corporate Governance emboldens a thorough and multidisciplinary approach as to how a company is managed, operated, and controlled. It involves using the best management practices, following both the letter and spirit of the law, and upholding high ethical standards. Corporate Governance is vital to a company's survival as it builds a culture of transparency, accountability, and effective oversight.

This report on corporate governance is prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"):

Company's philosophy on Corporate Governance:

At HomeFirst, we believe that strong corporate governance is not just a regulatory requirement but a key factor in promoting sustainable business practices. Your company's governance framework is designed to establish a solid system of checks and balances among key players such as the board, its committees, management, auditors, and other relevant stakeholders. By emphasizing oversight and integrity, the Board of Directors and management work to maintain high standards in governance and operations, ensuring transparency, accountability, and the protection of all stakeholders' interests. Our corporate governance policies are well-suited to the size of the Company and serve the best interests of all stakeholders, including our shareholders, employees, customers, and the community where we operate.

The Company complies with the Master Direction on Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI Directions**"), the Companies Act, 2013 ("**Act**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), IRDAI (Registration Of Corporate Agents) Regulations, 2015 and all other applicable rules, regulations, circulars, and notifications issued by RBI, SEBI, MCA, IRDAI, and other statutory / regulatory bodies.

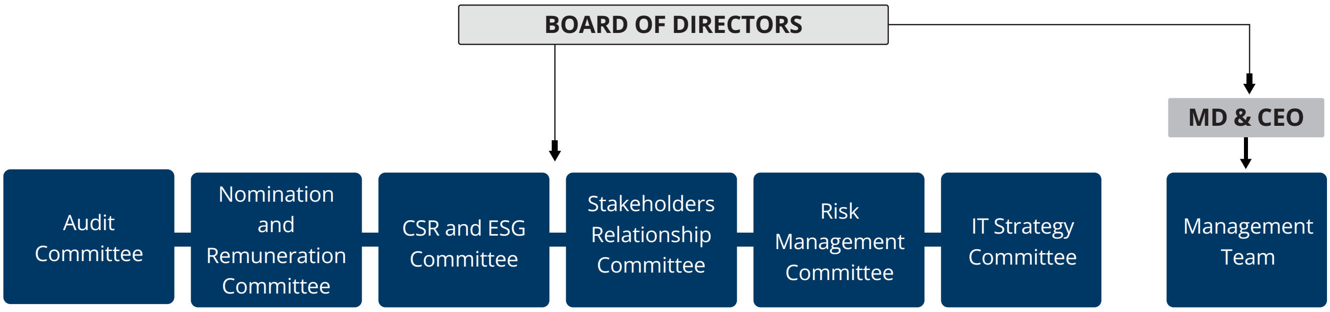
The Board of Directors:

The Board of Directors ("**Board**") is the apex body, entrusted with the responsibility of safeguarding the Company's interests because it occupies a fiduciary position. By maintaining transparency, equality, and independence in its decision-making process, the Board, along with its Committees, undertakes responsibility towards all stakeholders of the Company.

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

Your Company also support the value of a more diverse and inclusive board, which contributes to a wide range of perspectives, opinions, and ideas for making decisions and providing resolutions leading to a positive effect on the Company's culture, and assist in keeping up with the evolving geo political conditions, demographic changes aligning to achieve the company's goals.

CORPORATE GOVERNANCE STRUCTURE



Directors’ Report

Composition and Category of the Board of Directors:

The composition of the Board of Directors is in conformity with the SEBI Listing Regulations and the Act.

As on March 31, 2025, the Board of Directors consisted of eight members. This included four Non-Executive Independent Directors (comprising of the Chairman and two Women Directors), three Non-Executive Nominee Directors representing equity investors, and one Managing Director and Chief Executive Officer. Their details are presented hereunder:

			Directorship in other equity listed company(ies) and category of directorship
1	**Mr. Deepak Satwalekar** Non-Executive, Chairman and Independent Director (DIN: 00009627)	**Appointed:** October 23, 2019[@] **Qualification / Experience:** Bachelors in Mechanical Engineering and MBA (over 40 years) Shareholding: Nil Other Directorship(s)*: 2 Committee membership(s)/ chairpersonship in company(ies)**: 2	Wipro Limited - Non-executive-Independent Director
2	**Ms. Geeta Dutta Goel** Non-Executive, Independent, Woman Director (DIN: 02277155)	**Appointed:** November 01, 2021 **Qualification / Experience:** Bachelors in commerce and PGDM (over 30 years) Shareholding: Nil Other Directorship(s)*: 3 Committee membership(s)/ chairpersonship in company(ies)**: 3	Equitas Small Finance Bank Limited - Non-Executive - Independent Director Niva Bupa Health Insurance Company Limited - Non-Executive - Independent Director
3	**Mr. Anuj Srivastava** Non-Executive, Independent Director (DIN: 09369327)	**Appointed:** November 01, 2021 **Qualification / Experience:** Bachelors in Technology and MBA (over 22 years) Shareholding: Nil Other Directorship(s)*: 1 Committee membership(s)/ chairpersonship in company(ies)**: 1	NIL

Directors' Report

			Directorship in other equity listed company(ies) and category of directorship
4	**Ms. Sucharita Mukherjee** Non-Executive, Independent Director (DIN: 02569078)	**Appointed:** February 01, 2022 **Qualification / Experience:** Bachelors in Economics and PGDM (over 24 years) Shareholding: Nil Other Directorship(s)*: 1 Committee membership(s)/ chairpersonship in company(ies)**: 2	NIL
5	**Mr. Divya Sehgal** Non-Executive, Nominee Director^ (DIN: 01775308)	**Appointed:** June 10, 2017 **Qualification / Experience:** Bachelors of Technology in electrical Engineering and PGDM (over 29 years) Shareholding: Nil Other Directorship(s)*: 3 Committee membership(s)/ chairpersonship in company(ies)**: 1	AU Small Finance Bank Limited - Non-Executive – Non Independent Director
6	**Mr. Maninder Singh Juneja**^^^ Non-Executive, Nominee Director^ (DIN: 02680016)	**Appointed:** May 26, 2017 **Qualification / Experience:** Bachelors in Civil Engineering and PGDM (over 30 years) Shareholding: Nil Other Directorship(s)*: 3 Committee membership(s)/ chairpersonship in company(ies)**: 3	Fedbank Financial Services Limited - Non-Executive - Nominee Director Niva Bupa Health Insurance Company Limited - Non-Executive - Nominee Director
7	**Mr. Narendra Ostawal** Non-Executive, Nominee Director^^ (DIN: 06530414)	**Appointed:** October 15, 2020 **Qualification / Experience:** Chartered Accountant and PGDM (over 18 years) Shareholding: Nil Other Directorship(s)*: 4 Committee membership(s)/ chairpersonship in company(ies)**: 2	Fusion Finance Limited - Non-Executive - Nominee Director

Directors' Report

			Directorship in other equity listed company(ies) and category of directorship
8	**Mr. Manoj Viswanathan** Managing Director and Chief Executive Officer ("**MD & CEO**") (DIN: 01741612)	**Appointed:** June 28, 2010 **Qualification / Experience:** Bachelors in electrical and electronics and PGDM (over 28 years) Shareholding: 10,03,383 equity shares Other Directorship(s)*: 1 Committee membership(s)/ chairpersonship in company(ies)**: 1	NIL

@Re-appointed for his second term of 5 consecutive years with effect from October 23, 2024
**includes Directorships held in other Indian Public companies (listed and unlisted) including our Company*
*** In accordance with Regulation 26 of the SEBI Listing Regulations*
^ As a nominee of True North Fund V LLP
^^ As a nominee of Orange Clove Investments B.V.
^^^ ceased to be a director with effect from May 2, 2025

The brief profile of the present Directors on the Board of the Company is available on the website of the Company.

During the financial year under review, in compliance with Regulation 26(1) of the SEBI Listing Regulations, none of the Directors of the Company hold membership in more than ten committees or chairpersonship in more than five committees across all public companies in which they serve as a director. Further, as per Section 165(1) of the Companies Act, none of the Directors hold directorship in more than twenty Indian companies, including more than ten public limited companies. In accordance with Regulation 17A of the SEBI Listing Regulations, none of the Independent Directors serve as an Independent Director in more than seven listed equity entities, and neither the Managing Director serve as an Independent Director in more than three listed equity entities. Additionally, no Independent Director of the Company serves as a Non-Independent Director in any company where a Non-Independent Director of the Company is an Independent Director.

During financial year under review, the minimum information required to be placed before the board as specified in Part A of Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.

The Board reviews periodically, the compliance reports of all laws applicable to the Company. The Company has a Non-Executive Independent Director as a Chairman. The role of the Chairman and the MD & CEO are distinct and separate in nature. The MD & CEO of the Company does not serve as an Independent Director in any listed company. Further, there was no resignation of directors including independent director during the year.

Disclosure of relationships between directors inter-se:

None of the directors are inter-se related to each other. The Independent Directors are independent of the management. All the directors of the Company have confirmed that they comply the fit and proper criteria as prescribed under the applicable regulations. The Company has also formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Directions.

Change in Composition of the Board:

During the Financial Year 2024-25, there were no changes in the Board composition. However, at the 15th Annual General Meeting of the Company, Mr. Deepak Satwalekar (DIN: 00009627) was re-appointed as Independent Director of the Company with effect from October 23, 2024 for a further period of 5 (Five) consecutive years.

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

Directors' Report

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

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 SEBI Listing Regulations, the table below summarizes the key skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Sr. No.	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
1.	Industry Experience	√	√	-	√	√	√	√	√
2.	Financial Expertise	√	√	-	√	√	√	√	√
3.	Consumer Behavior	√	√	√	√	√	√	-	√
4.	Legal and Compliance	√	√	-	√	-	-	-	√
5.	Corporate Governance	√	√	√	√	-	√	√	√
6.	Strategy and Decision Making	√	√	√	√	√	√	√	√
7.	ALM and Risk Management	√	√	-	√	√	√	√	√
8.	Information Technology and Cyber Security.	√	-	√	√	√	√	-	√

Responsibilities of the Board:

The Board's role, responsibilities and levels of accountability are explicitly defined in the Company's code of conduct, policies and applicable regulatory framework. Apart from its principal responsibility of overseeing the Company's performance, the Board undertakes various responsibilities, which 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.

The Board reviews Company's overall performance at regular intervals. The Board deliberates and decides on key matters, including those mandated by law, in accordance with its regulatory framework, policies, and strategic priorities.

Board Proceedings:

The Board Meetings (including Committee Meetings) are planned well in advance and a tentative annual calendar is shared with all Directors to allow them to plan their schedules and encourage their active participation in the meetings. The Directors are also given an option to participate in the meetings though Video conferencing to encourage effective and active involvement in the Board deliberations. When a particular or urgent business arises, the Board provides its consent by approving resolutions that are circulated in line with all applicable legislation. The resolutions passed through circulation are placed and reaffirmed by the Board at its ensuing Board Meeting.

The company secretary in consultation with the MD & CEO prepares a detailed agenda for the Board (including Committee) meetings. Agenda of said meetings are circulated in a timely manner and in accordance with all applicable legislation. To help the directors/members make thoughtful decisions, all the necessary notes and information are included in the agenda itself. The Members of the Board can also recommend inclusion of any matter in the agenda for discussion. The Board has also agreed, with unanimous consent in accordance with the Secretarial Standards issued by ICSI, that any information classified as Unpublished Price Sensitive Information (UPSI) may be circulated to the Board and its

Directors' Report

Committees at shorter notice before the commencement of their respective meetings. The minutes of each Board/ Committee Meetings are duly circulated to the directors finalised and recorded in the minute book maintained by the Company Secretary.

The Board meets at least once a quarter to review the quarterly performance and financial results of the Company and to discuss and decide on the business policy, strategy and other businesses.

During the financial year under review, the Board met four times. The gap between any two Board Meetings held during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The attendance of the directors at the above-mentioned board meetings and the Annual General Meeting (AGM) held on June 20, 2024, along with the sitting fees paid to them are listed below:

Attendance and sitting fees details of the Board

Name of the member	Board meeting details				Held during tenure	Attended	% of attendance	Sitting Fees paid (in)	AGM
	1	2	3	4					
	May 8, 2024	Jul 25, 2024	Oct 24, 2024	Jan 28, 2025^					
Mr. Deepak Satwalekar	👨	👨	👨	👨	4	4	100%	4,00,000/-	👨
Ms. Geeta Dutta Goel	👩	👩	👩	👩	4	4	100%	4,00,000/-	L
Mr. Anuj Srivastava	👨	L	👨	L	4	2	50%	2,00,000/-	👨
Ms. Sucharita Mukherjee	👩	👩	L	👩	4	3	75%	3,00,000/-	👩
Mr. Divya Sehgal	👨	L	👨	👨	4	3	75%	-	👨
Mr. Maninder Singh Juneja	L	👨	👨	👨	4	3	75%	-	👨
Mr. Narendra Ostawal	👨	👨	👨	👨	4	4	100%	-	L
Mr. Manoj Viswanathan	👨	👨	👨	👨	4	4	100%	-	👨
% attendance	88%	75%	88%	88%					

👩👨 : In attendance

L: Leave of absence granted

^*including adjourned meeting held on the same day.*

Membership of Directors in Board Committees during FY25:

Name of Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	CSR and ESG Committee	Risk Management Committee#	IT Strategy Committee#
Mr. Deepak Satwalekar	-	-	-	-	-	-
Ms. Geeta Dutta Goel	👩	👩	-	👩	-	-
Mr. Anuj Srivastava^	👨	👨	-	-	-	👨
Ms. Sucharita Mukherjee	👩	-	👩	👩	👩	-
Mr. Divya Sehgal	-	-	-	-	-	-
Mr. Maninder Singh Juneja	👨	-	👨	-	👨	👨
Mr. Narendra Ostawal	-	👨	-	-	👨	-
Mr. Manoj Viswanathan	-	-	👨	👨	👨	👨

Directors' Report

^Mr. Anuj Srivastava was appointed as Member of the Audit Committee on May 08, 2024.
#The Composition of the Committee also comprises senior management of the Company.

Board Diversity:

To ensure that a fair and transparent process is in place to encourage diversity in thought, knowledge, skills, experience, age and gender, perspective, functional and industry experience, cultural and geographical background, the Board has adopted the "Policy to promote diversity on the Board of Directors" as recommended by the Nomination and Remuneration Committee. We recognize the benefits of having a diverse Board, and see increasing diversity at Board level as an essential element in maintaining a competitive advantage.

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

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 Regulation 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 and they have either undertaken the online proficiency self-assessment test or are exempted therefrom.

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

Familiarisation 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 Independent Directors are taken through a detailed induction and familiarisation programme, that covers the history, background, cultures, values, organizational structures, board procedures and overview of the business operations of the Company, as applicable. The Company has also provided directors with a reference manual (such as Code of Conduct) 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 familiarisation 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 respectively.`

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 13, 2025.

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

1. Reviewed the performance of Directors, Independent Directors, Committees 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

Directors' Report

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:

Attendance and sitting fees details of the Independent Directors Meeting					
Name of the member	Committee meeting details	Held during tenure	Attended	% of attendance	Sitting Fees paid (in ₹)
	1				
	March 13, 2025				
Mr. Deepak Satwalekar	👤	1	1	100%	1,00,000/-
Ms. Geeta Dutta Goel	👤	1	1	100%	1,00,000/-
Mr. Anuj Srivastava	👤	1	1	100%	1,00,000/-
Ms. Sucharita Mukherjee	👤	1	1	100%	1,00,000/-
% attendance	100%				

👤👤 : In attendance

L: Leave of absence granted

Board Committees :

To enable better and focused decision making for the Company, the Board level committees are set up 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.

The Board has constituted six statutory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR and ESG Committee, Risk Management Committee and IT Strategy Committee and is authorised to constitute other functional Committees, from time to time, depending on business needs. The recommendations of the Committees are submitted to the Board for approval. During the year, all the recommendations made by the Committees were accepted by the Board.

Mr. Shreyans Bachhawat, Company Secretary of the Company acts as secretary to the all the Committees constituted by the Board.

The composition and functioning of these board committees is in compliance with the applicable provisions of the Act, SEBI Listing Regulations and the RBI Directions.

A. Audit Committee:

The Audit Committee is empowered to review and establish the Company's accounting policies. It is responsible to diligently examine the reports provided by both statutory and internal auditors and holds meetings to discuss their findings, recommendations, and other pertinent matters. Additionally, the Committee assesses the effectiveness of your Company's internal financial controls and risk management systems, while also periodically reviewing consumer grievances.

The 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 Directions.

All the Members of the Committee are financially literate and possess strong accounting and financial management expertise. The Board of Directors have accepted and implemented the recommendations of the Audit Committee, whenever provided by the Committee. In accordance with the RBI Directions, head of internal auditor and chief compliance officer meets the members of the Audit Committee separately, without the presence of the senior management, on a quarterly basis.

The Audit Committee is chaired by Non-Executive, Independent Director. The Committee comprises of 4 Directors as its members, all of them being Non-Executive Directors, three of which are Non- Executive, Independent Directors and one nominee director. The Company Secretary of the Company acts as Secretary to the Committee.

Directors' Report

Composition:

The members of the Audit Committee as on March 31, 2025 were:

Sr No	Name	Category	Designation
1.	Ms. Sucharita Mukherjee	Non-Executive, Independent Director	Chairperson
2.	Ms. Geeta Dutta Goel	Non-Executive, Independent Director	Member
3.	Mr. Anuj Srivastava[1]	Non-Executive, Independent Director	Member
4.	Mr. Maninder Singh Juneja	Non-Executive, Nominee Director	Member

[1] *appointed as a member of the Committee with effect from May 08, 2024*

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 SEBI Listing Regulations.

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- 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.
- 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;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 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;
- 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;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of

Directors' Report

statutory and internal auditors, and adequacy of the internal control systems;

- 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;
- Discussing with internal auditors on any significant findings and follow up there on;
- 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;
- 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;
- 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;
- Reviewing the functioning of the whistle blower mechanism;
- 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;
- 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
- 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:

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

Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of the financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor/ head of internal audit shall be subject to review by the audit committee; and
- 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 financial year under review, the Audit Committee met four times. The Company Secretary acted as Secretary to Audit Committee meetings. The required quorum of 2 Members (with at least 2 Independent Directors) were present at all the meetings.

Directors’ Report

Attendance and sitting fees details of the Audit Committee

Name of the member	Committee meeting details				Held during tenure	Attended	% of attendance	Sitting Fees paid (in ₹)
	1	2	3	4				
	May 8, 2024	Jul 25, 2024	Oct 24, 2024	Jan 28, 2025				
Sucharita Mukherjee	👩	👩	L	👩	4	3	75%	3,00,000/_
Geeta Dutta Goel	👩	👩	👩	👩	4	4	100%	4,00,000/-
Maninder Singh Juneja	👨	👨	👨	L	4	3	75%	N.A.
Anuj Srivastava	-	👨	👨	L	3	2	66.67%	2,00,000/-
% attendance	100%	100%	75%	50%				

👩 👨 : In attendance

L: Leave of absence granted

B. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee (“**NRC**”) plays a key role in shaping your company’s leadership and culture. It is responsible for guiding appointments to the Board, ensuring diversity, and selecting senior-level personnel. The NRC also advises management on the remuneration policy, ensuring it meets regulatory requirements. In addition, it reviews the skills, performance, and independence of our directors and conducts an annual evaluation of the Board’s effectiveness. The Committee further administer our ESOP policy and sets the tenure of independent directors based on their performance reviews.

Accordingly, the NRC 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 composition of the Committee is in adherence to provisions of the Act, SEBI Listing Regulations and the RBI Directions.

The NRC 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 Company Secretary of the Company acts as Secretary to the Committee.

Composition:

The members of the Nomination and Remuneration Committee as on March 31, 2025 were

Sr No	Name	Category	Designation
1.	Ms. Geeta Dutta Goel	Non-Executive, Independent Director	Chairperson
2.	Mr. Anuj Srivastava	Non-Executive, Independent Director	Member
3.	Mr. Narendra Ostawal	Non-Executive, 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 SEBI Listing Regulations:

- 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;
- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in

Directors' Report

accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

- 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;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- 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;
- 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;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 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;
- 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.
- 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- Performing such other functions as may be required for the performance of any of the above duties.for the performance of any of the above duties.

NRC Meetings, Attendance and Quorum:

During the financial year under review, the NRC Committee met thrice. The required quorum of 2 members (with atleast 1 Independent Director) was present at all the meeting.

The detailed attendance and sitting fees paid for the said meetings are given below:

Attendance and sitting fees details of the NRC Committee							
Name of the member	**Committee meeting details**			**Held during tenure**	**Attended**	**% of attendance**	**Sitting Fees paid (in ₹)**
	1	**2**	**3**				
	Apr 30, 2024	**July 22, 2024**	**Jan 28, 2025**				
Geeta Dutta Goel	👤	👤	👤	3	3	100%	3,00,000/-
Anuj Srivastava	👤	L	L	3	1	33.34%	1,00,000/-
Narendra Ostawal	👤	👤	👤	3	3	100%	N.A.
% attendance	100%	66.67%	66.67%				

👤👤 : In attendance

L: Leave of absence granted

Performance Evaluation:

In terms of the requirements of the Act and the SEBI Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees and Individual Performances of the Directors.

The Nomination and Remuneration Committee, has established a manner for performance evaluation of directors based on parameters such as role and contribution by a director, experience and expertise, ability to constructively challenge the perspective of others, integrity and confidentiality, and independence of behaviour and judgement. The Company completed the Board Evaluation 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

Directors' Report

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 13, 2025.

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**") and other applicable laws and regulations. This policy, inter alia, provides (a) Set criteria for determination of qualification, positive attributes and independence of a director required for appointment; (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 Nomination and Compensation Policy.

Particulars of Senior Management:

The particulars of senior management as on March 31, 2025 are:

Sr. No.	Members of the Senior Management Team	Role/Designation
1.	Mr. Ajay Khetan	Deputy CEO and Chief Business Officer
2.	Ms. Nutan Gaba Patwari	Chief Financial Officer
3.	Mr. Ramakrishna Vyamajala	Chief Human Resource Officer
4.	Mr. Gaurav Mohta	Chief Marketing Officer
5.	Mr. Ashish Kumar Darji	Chief Risk Officer
6.	Ms. Vilasini Subramaniam	Head – Strategic Alliance
7.	Mr. Rupesh Mehta	Head of IT
8.	Mr. Shreyans Bachhawat	Company Secretary and Compliance Officer
9.	Ms. Harshita Mulay Dixit	Head of Internal Audit
10.	Ms. Kavita Semwal	Chief Compliance Officer

The Company pays sitting fees of Rs. 1,00,000/- per meeting to its Non-Executive, Independent Directors for attending Board and Committee Meetings. The Company also pays commission to the Non-Executive Independent Directors which is within the ceiling of 1 percent of the net profits of the Company as computed for that FY under Section 198 of the Companies Act, 2013, with the approval of the Board and Shareholders. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and paid amongst the Non-Executive Independent Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as their expertise and experience for facilitating the efficient decision making. The Company also reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending the meetings.

C. CSR AND ESG COMMITTEE:

The CSR and ESG Committee has been constituted by the Board, inter alia, to oversee the Corporate Social Responsibility (CSR) initiatives and Environmental, Social, and Governance (ESG) strategies. This Committee

Directors' Report

ensures that your company complies with the regulatory requirements while managing our CSR policy and monitoring the use of allocated funds in accordance with the Companies Act. The Committee also focuses on effectively implementing our ESG initiatives and regularly reviews our ESG reporting and governance practices.

The Committee has been constituted in accordance with Section 135 of the Act. The CSR and ESG Committee is chaired by Non-Executive, Independent Director. The Committee comprises of three Directors as its members, out these two members are Non- Executive, Independent Directors. The Company Secretary of the Company acts as Secretary to the Committee.

Composition:

The CSR and ESG 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 and ESG Committee as on March 31, 2025 were:

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

Terms of reference:

- To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;
- 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;
- To monitor the CSR Policy and its implementation by the Company from time to time;
- 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;
- To formulate the strategy for Environment, Social and Governance ("**ESG**") Initiatives and monitor its implementation from time to time; and
- To review, monitor and assess the progress and reporting of ESG framework and principles.

CSR and ESG Meetings, Attendance and Quorum:

During the financial year under review, the CSR and ESG Committee met twice. The Company Secretary acted as Secretary to CSR and ESG Meetings. The required quorum of 2 member was present at all the meetings.

The details of participation of members and the sitting fees paid is as follows:

Attendance and sitting fees details of the CSR and ESG Committee						
Name of the member	**Committee meeting details**		**Held during tenure**	**Attended**	**% of attendance**	**Sitting Fees paid (in ₹)**
	1	**2**				
	May 2, 2024	**Jan 15, 2025**				
Geeta Dutta Goel	👤	👤	2	2	100%	2,00,000/-
Sucharita Mukherjee	👤	L	2	1	50%	1,00,000/-
Manoj Viswanathan	👤	👤	2	2	100%	N.A.
% attendance	100%	66.67%				

👤👤 : In attendance

L: Leave of absence granted

Directors' Report

During the year, your Company has amended the CSR Policy to bring in line with the provisions of the Act. The composition of the CSR and ESG Committee, the CSR Policy and projects approved by the Board are available on the website of the Company and can be accessed at CSR Policy.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The Stakeholders Relationship Committee ("**SRC**") has been constituted to 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.

The SRC Committee is chaired by Non-Executive, Independent Director. Any two Members of the SRC Committee form the quorum for the meetings of the SRC Committee. The SRC Committee comprises of three Directors as its members. The Company Secretary of the Company acts as Secretary to the Committee.

Composition:

The members of the Stakeholders Relationship Committee as on March 31, 2025 were:

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

Terms of reference:

- 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.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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;
- 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;
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- Approval of transfer or transmission of shares, debentures or any other securities;
- To authorize affixation of common seal of the Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- 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).

Directors' Report

SRC Meeting, Attendance and Quorum:

During the financial year under review, the SRC Committee met twice. The required quorum was present at the meetings. The details of participation of members and the sitting fees paid is as follows:

Attendance and sitting fees details of the SRC Committee						
Name of the member	**Committee meeting details**		**Held during tenure**	**Attended**	**% of attendance**	**Sitting Fees paid (in ₹)**
	1	**2**				
	April 10, 2024	**Oct 14, 2024**				
Sucharita Mukherjee	👤	👤	2	2	100%	2,00,000/-
Maninder Singh Juneja	👤	👤	2	2	100%	N.A.
Manoj Viswanathan	👤	👤	2	2	100%	N.A.
% attendance	100%	100%				

👤👤: In attendance

L: Leave of absence granted

The primary function of the SRC 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 year under review, no complaints/disputes has been received from SEBI's SCORES portal or SMART Online Dispute Resolution Portal and the complaints received from shareholders is as below:

Sr. No	Nature of Complaint	Complaints received during the year	Complaints not solved to the satisfaction of shareholders	Pending complaints as on Mar'25
1.	Non-receipt of Annual Report or other documents	0	0	0
2.	Non-receipt of Dividend warrant/ Dividend declared	0	0	0
3.	Complaints in relation to General Meetings	0	0	0
4.	Complaint received through SEBI/ ODR	0	0	0
5.	Investor Complaints Queries/requests received directly by the Company	0	0	0
	Total	**0**	**0**	**0**

E. Risk Management Committee:

The Risk Management Committee ("**RMC**") evaluates the Company's overall risk profile, identifying key areas of risk and keeping track of emerging issues. The RMC is responsible for setting our policy on business risk oversight and management, developing a robust risk management framework with internal controls, and conducting special investigations into corporate risks and controls when needed.

It has been constituted in accordance with Regulation 21 read with Part D Schedule II of the SEBI Listing Regulations and the RBI Directions.

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.

Directors' Report

The members of the Risk Management Committee as on March 31, 2025 were:

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

The terms of reference of the Committee, inter-alia, includes:

- 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.

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 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 five times. The Company Secretary acted as Secretary to RMC Meetings. The required quorum of three members were present at all the meetings.

The details of participation of members and the sitting fees paid is as follows:

Attendance and sitting fees details of the RMC Committee									
Name of the member	Committee meeting details					Held during tenure	Attended	% of attendance	Sitting Fees paid (in ₹)
	1	2	3	4	5				
	June 12, 2024	Sep 30, 2024	Dec 17, 2024	Jan 09, 2025	Feb 25, 2025				
Maninder Singh Juneja	👤	👤	👤	👤	👤	5	5	100%	N.A.
Sucharita Mukherjee	👩	👩	👩	👩	👩	5	5	100%	5,00,000/-
Narendra Ostawal	L	👤	👤	👤	L	5	3	60%	N.A.
Manoj Viswanathan	L	👤	👤	👤	L	5	3	60%	N.A.

Directors' Report

Ajay Khetan	👤	👤	👤	👤	👤	5	5	100%	N.A.
Nutan Gaba Patwari	L	L	👩	👩	👩	5	3	60%	N.A.
Ashish Kumar Darji	👤	👤	👤	👤	👤	5	5	100%	N.A.
% attendance	57%	86%	100%	100%	71%				

👩👤 : In attendance

L: leave of absence granted

F. Information Technology Strategy Committee:

The Information Technology ("**IT**")Strategy Committee ensures that your Company's IT planning aligns with the business strategy. It oversees the implementation of IT processes and practices to ensure maximum value for the business. The Committee approves IT strategy and policy documents, manages business continuity and data governance, and conducts periodic comprehensive risk assessments of our IT systems. 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.

The Committee has been constituted in accordance with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The Committee is chaired by the Non-Executive, Independent Director. The Committee comprises of 4 members, out of which three are board members.

Composition:

The members of the IT Strategy Committee as on March 31, 2025 were:

Sr No	Name	Category	Designation
1.	Mr. Anuj Srivastava	Non-Executive, Independent Director	Chairman
2.	Mr. Maninder Singh Juneja	Non-Executive, Nominee Director	Member
3.	Mr. Manoj Viswanathan	MD & CEO	Member
4.	Mr. Ajay Khetan	Deputy Chief Executive Officer and Chief Business Officer	Member

The terms of reference of the Committee are as follows:

- To ensure that management has an effective IT strategic planning process, guide in preparation of IT Strategy and ensure that it is aligned with the Business strategy;
- To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining organization's growth and within the acceptable budget;
- To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- To oversee implementation of processes and practices and ensuring that maximum value is delivered to business;
- To approve IT strategy and policy documents;
- To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance;
- To ensure that there is an appropriate framework of information IT and security risk assessment within the organization and for managing IT and cybersecurity risks;
- To ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions;

Directors' Report

- To ensure that a comprehensive risk assessment of Homefirst's IT systems and adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company is carried out on a yearly basis;
- To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- To satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organisation.

IT Strategy Committee Meetings, Attendance and Quorum:

During the financial year under review the committee met four times. The required quorum was present in all the meetings.

Attendance and sitting fees details of the IT strategy Committee

Name of the member	Committee meeting details				Held during tenure	Attended	% of attendance	Sitting Fees paid (in ₹)
	1 June 21, 2024	2 Sep 25, 2024	3 Dec 19, 2024	4 Mar 26, 2025				
Mr. Anuj Srivastava	👤	👤	👤	👤	4	4	100%	4,00,000/-
Mr. Maninder Singh Juneja	👤	👤	👤	👤	4	4	100%	N.A.
Mr. Manoj Viswanathan	👤	👤	👤	👤	4	4	100%	N.A.
Mr. Ajay Khetan	👤	👤	👤	👤	4	4	100%	N.A.
% attendance	100%	100%	100%	100%				

👤👤: In attendance

L: Leave of absence granted

Remuneration of Directors:

The remuneration paid to the Directors of the Company is in accordance with the applicable provision of the Act, the SEBI Listing Regulations and in line with the Nomination and 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.

a. Pecuniary relationship and/or transactions of the Non-Executive Directors with the listed entity:

During the financial 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 Nomination and Remuneration Committee 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 FY25. 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:

Names of Directors	Fee for attending Board /Committee Meetings (in ₹)	Commission (in ₹)	Other	Total (in ₹)
Independent Directors				
Mr. Deepak Satwalekar	5,00,000	30,00,000	-	35,00,000
Ms. Geeta Dutta Goel	14,00,000	16,00,000	-	30,00,000
Mr. Anuj Srivastava	10,00,000	15,00,000	-	25,00,000
Ms. Sucharita Mukherjee	15,00,000	16,00,000	-	31,00,000
Other Non-Executive Directors				
Mr. Maninder Singh Juneja	-	-	-	-
Mr. Divya Sehgal	-	-	-	-
Mr. Narendra Ostawal	-	-	-	-
Total	**44,00,000**	**77,00,000**	-	**1,21,00,000**

Remuneration of Managing Director & Chief Executive Officer ('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 was then accepted by the Board. The remuneration paid to MD & CEO is within the limits as approved the Shareholders'. Mr. Manoj 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 FY25:

Sl. No.	Particulars of Remuneration	Total Amount (in ₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (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	1,53,25,211
2.	Sweat Equity	-
3.	Commission - as % of profit - others, specify	-
4.	Others, please specify One-time Bonus Performance Linked Incentive	1,27,71,000
	Total	**2,80,96,211**
5.	Numbers Stock Options exercised during the FY25	3,00,000

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 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.

Directors' Report

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 RBI Directions, 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 SEBI Listing Regulations, the Company has adopted Code of Conduct applicable to the Board of Directors and the Senior Management Personnel ('**Code**'). The Code provides guidance to the Board of 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 Mar'25 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 and dealing with Related Party Transactions pursuant to the provisions of the Act and Regulation 23 of the SEBI Listing Regulations, which specify the manner of entering into Related Party Transactions **("RPT").** The details of related party transactions entered by the Company are 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 FY25. During the year under review, prior approval of all the RPTs were granted by the Audit Committee (including omnibus approval), as required under Section 177 of the Act and Regulation 23 of the SEBI Listing Regulations. No materially significant related party transactions were entered into during the FY25 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 SEBI Listing Regulations and the RBI directions 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 Act and the Rules made thereunder and the SEBI Listing Regulations is implemented through the Whistle Blower Policy. This policy provides for adequate safeguards against victimization of persons who use such mechanism and provides direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It enables reporting illegal or unethical behaviour, actual or suspected fraud(s) or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity. None of the personnel have been denied access to the Audit Committee.

The policy is placed on the website of the Company and can be accessed at 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 (Prohibition of Insider Trading) Regulations, 2015, 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

Directors' Report

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 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 ("**POSH Act**") 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 POSH 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 financial year: **1**

Number of cases disposed during the financial year: **1**

Numbers of cases pending as on March 31, 2025: **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.

GENERAL BODY MEETINGS:

Details of Annual General Meetings:

The details of the special resolutions passed during the last three Annual Meetings are as follows:

For Financial Year	Date and Time	Location/ Venue	Mode	Special Resolutions passed
FY24	June 20, 2024 at 12:00 noon IST	Held through video conferencing / other audio-visual means	Through Video Conferencing ("VC")/ Other Audio-Visual Means	1.Approved the reappointment of Mr. Deepak Satwalekar (DIN:00009627) as Chairman and Non-Executive, Independent Director of the Company. 2.Approved 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 Act. 3.Approved creation of charges on the assets of the Company under Section 180(1)(a) of the Act to secure the borrowings made/to be made under section 180(1)(c) of the Act. 4.Approved Home First Finance Company India Limited – Employee Stock Option Scheme 2024 ("**HomeFirst ESOP Scheme 2024**") for eligible employees of Company.

Directors' Report

FY23	June 08, 2023 at 11:00 A.M. IST	Held through video conferencing / other audio-visual means	Through Video Conferencing ("VC")/ Other Audio-Visual Means	1.Approved the continuation of Directorship of Mr. DeepakSatwalekar, Chairman and Independent Director(DIN:00009627) beyond the age of 75 years in his currenttenure. 2.Approved the re-appointment of Mr. Manoj Viswanathan (DIN:01741612) as MD & CEO of the Company and fixation of remuneration thereof. 3.Approved 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 Act. 4.Approved creation of charges on the assets of the Company under Section 180(1)(a) of the Act to secure the borrowings made/to be made under section 180(1)(c) of the Act. 5.Approved the alteration of Articles of Association.
FY22	June 10, 2022 at 2.00 P.M. IST	Held through video conferencing / other audio-visual means	Through Video Conferencing ("VC")/ Other Audio-Visual Means	1.Approved 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 Act. 2.Approved creation of charges on the assets of the Company under Section 180(1)(a) of the Act to secure the borrowings made/to be made under section 180(1)(c) of the Act.

Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY25.

Postal Ballot:

During the financial year under review, the following special resolution was passed by the shareholders by the requisite majority by way of postal ballot through remote e-voting.

Date of postal ballot notice	Resolution passed	Voting Resolution			Approval date	Scrutinizer
February 11, 2025	Approval to raise funds by way of issuance of equity shares to eligible investors through Qualified Institutions Placement	Votes casted	7,20,09,075	100%	March 13, 2025	Mr. Aashish K. Bhatt, Designated Partner of M/s Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries (Membership No: 19639 and Certificate of Practice no. 7023)
		Voting in favour	7,03,61,331	97.7118%		
		Voting Against	16,47,744	2.2882%		

Directors' Report

The voting results were made available on our website at www.homefirstindia.com and also intimated to BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") (BSE and NSE, collectively known as "**Stock Exchanges**") and on the website of the e-voting agency (NSDL) i.e. www.evoting.nsdl.com.

Procedure for Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

Details of special resolution proposed to be transacted through postal ballot:

No special resolution is proposed to be transacted at an ensuing AGM which requires passing of such special resolution through postal ballot.

Means of Communication:

Your Company actively communicates with its stakeholders using several communication channels, including:

- Publication of Quarterly results and newspaper advertisements
- Earnings call with investors/analyst
- Dissemination of information on the Stock Exchanges
- Website
- Other such as Investor presentations/press releases, Annual reports etc.

a. Publication of quarterly results and newspaper advertisements

The Company publishes financial results on a quarterly basis in accordance with the applicable provisions of the SEBI Listing regulations, which are duly examined by the Audit Committee prior to submission to the Board and submission to the stock exchanges. Extract of Statement of Financial Results is published in English Newspaper - Mint and Regional (Marathi) newspaper- Pratahkal and the same are also hosted on the website of the Company.

b. Earning call with investors/analyst

Earning calls with analysts and investors are also conducted by the MD & CEO, Chief Financial Officer and Head - Investor Relations on a quarterly basis. The transcripts of the such calls are also published on the website.

c. Dissemination of information on the Stock Exchanges:

All periodical compliances required to be filed with the Stock Exchanges, such as the Corporate Governance Report, Shareholding Pattern, Investor Grievance Report, Reconciliation of Share Capital and other corporate announcements are filed electronically with the Stock Exchanges. All the disclosures made to the Stock Exchanges are also available on the website of the Company

d. Website:

The Company also communicates with its shareholder through its website, www.homefirstindia.com. Under the section "**Investor Relations**", all material public information is available 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.

e. Other modes:

The other channels of communication includes Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statements. Also, all the presentations made to analysts and institutional investors are displayed on the Company's website at www.homefirstindia.com.

Investor Grievance Redressal:

If shareholders have any grievances, they may contact the Company Secretary of the Company. Alternatively, they can reach out to the Registrar and Transfer Agent (RTA) for assistance. Investor complaints can also be

Directors' Report

addressed through SEBI's centralized web-based grievance redressal platform, SEBI Complaints Redress System (SCORES). Additionally, the Company has enabled seamless online resolution of disputes in the Indian Securities Market through the SMART Online Dispute Resolution (ODR) Portal.

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 25, 2025 Time: 12:00 Noon Venue: Video Conferencing/ Other Audio Visual Means
Financial year	April 1, 2024 to March 31, 2025
Record Date	As mentioned in the Notice of this AGM
Dividend Payment Date	The final dividend, if approved, shall be paid/credited on or before Thursday, July 24,2025
Name and Address of Stock Exchange	The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). NSE: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel Nos: 022-26598100-114 Fax No.: 022-26598120; Website: www.nseindia.com BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel.Nos.:022-22721233 / 22721234; Fax No.: 022-22721919 Website: www.bseindia.com
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.
International Securities Identification Number (ISIN)	INE481N01025

Directors' Report

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, the directors report shall explain the reason thereof	Not Applicable
Share Transfer System	The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. An annual certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) 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 31, 2025, 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 equity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
Plant Locations	Since the Company is engaged in housing finance business, it does not have any manufacturing plant.
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

Directors' Report

	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	The Company does not have any unhedged foreign currency risk.

Distribution of Shareholding as on March 31, 2025:

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1.	1 - 5000	89,109	99.080457	74,98,412	8.3
2.	5001 - 10000	341	0.379159	11,90,053	1.3
3.	10001 - 20000	171	0.190135	11,68,637	1.3
4.	20001 - 30000	65	0.072274	8,28,131	0.9
5.	30001 - 40000	33	0.036693	5,65,160	0.6
6.	40001 - 50000	23	0.025574	5,14,350	0.6
7.	50001 - 100000	54	0.060043	19,43,534	2.2
8.	100001 and above	140	0.155666	7,63,47,263	84.8
	Total	**89,936**	**100**	**9,00,55,540**	**100.0**

Shareholding Pattern as on March 31, 2025:

Sr no	Description	Holders	Total Shares	% Equity
1.	Promoters	1	77,37,825	8.6
2.	Foreign Promoters	1	50,97,358	5.7
3.	Mutual Funds	74	1,56,02,535	17.3
4.	Alternative Investment Fund	13	7,63,797	0.8
5.	Qualified Institutional Buyer	12	14,76,497	1.6
6.	Foreign Portfolio – Corp	193	3,23,83,758	36.0
7.	Directors	1	10,03,383	1.1
8.	Key Management Personnel	3	1,23,360	0.1
9.	Employees	125	9,68,091	1.1
10.	Resident Individuals	84,510	98,36,975	10.9
11.	Foreign Institutional Investors	1	36,909	0.0
12.	Non-Resident Indian Non Repatriable	1,049	3,30,043	0.4
13.	Non-Resident Indians	1,679	5,23,123	0.6
14.	Foreign Corporate Bodies	1	1,09,80,033	12.2
15.	Bodies Corporates	565	28,84,508	3.2
16.	Clearing Members	4	31,213	0.1
17.	Trusts	6	3,499	0.0
18.	H U F	1,697	2,72,517	0.3
19.	NBFC	1	116	0.0
	Total	**89,936**	**9,00,55,540**	**100.0**

Directors' Report

Credit Ratings:

There has been no change in the credit ratings of Company from any of the agencies during the year.

(Amount in ₹Crores)

Instrument	Rating Agency	Rating	Outlook	Amount
Term Loan	ICRA	AA-	Stable	4,500
	India Ratings	AA-	Positive	4,100
	CARE	AA-	Stable	1,014
Commercial Paper	ICRA	A1+	-	100
	India Ratings	A1+	-	100
Non-Convertible Debentures	ICRA	AA-	Stable	561
	India Ratings	AA-	Positive	400

During the year under review, S&P Global, ESG score provider has assigned ESG score of 46 to the Company.

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 institutions placement as specified in Regulation 32 (7A) of the SEBI Listing Regulations.

Certification from Practicing Company Secretary (PCS):

A certificate issued by Ms. Bhavika Bhatt (ICSI Membership No. ACS 36181), 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 31, 2025, 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 Ms. Bhavika Bhatt (Membership No. ACS 36181), Designated Partner certifying of Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, 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):

Pursuant to the provisions of Sections 124 and 125 of the Act, rules made thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amounts of dividend / deposits remaining unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to IEPF as constituted by the Central Government.

The last date for claiming dividend declared for the current financial year are given below:

Financial Year	Type of dividend	Date of declaration	Last date for claiming unpaid dividend
2024-25	Final	June 20, 2024	July 20, 2031

Directors' Report

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 not accepted by the Board.

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

The total fees for all services paid by Company, on a consolidated basis, to M/s B S R & Co. LLP (Firm Registration No.: 101248W/W-100022), 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, 2025, are as follows:

Particulars	Amount (₹in million)
Fees for audit and related services paid to M/s. B S R & Co. LLP & Affiliates firms and to entities of the network of which the statutory auditor is a part.	7.50
Other fees paid to M/s. B S R & Co. LLP & Affiliates firms and to entities of the network of which the statutory auditor is a part.	1.76
Total	**9.26**

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 financial year 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 SEBI Listing Regulations.

The Company has also adopted certain voluntary compliance requirements as outlined in the Act, SEBI Listing Regulations and other applicable acts, rules, regulations & guidelines. As per the discretionary requirements specified in Schedule II, Part E of the SEBI Listing Regulations, the Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer.

Disclosure of certain types of agreements binding Listed Entities under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations:

The Shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company have not entered any agreement among themselves or with the Company or with a third party, solely or jointly, which, either directly

Directors' Report

or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

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, IRDAI and Ministry of Corporate Affairs from time to time, or any other regulatory body as applicable to the Company.

For and on behalf of the Board of Directors

Sd/-
Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Sd/-
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, MD & CEO of Home First Finance Company India Limited, 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 FY25.

For and on behalf of the Board of Directors

Sd/-
Manoj Viswanathan
Managing Director & CEO
DIN: 01741612
Date: May 1, 2025
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, 2025, 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, 2024 to March 31, 2025.

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 or for any other purpose.

For Bhatt & Associates Company Secretaries LLP

Sd/-
Bhavika Bhatt
Designated Partner
ACS No.: 36181, COP No.: 13376
UDIN: A036181G000246743
Peer Review Certificate No.: 2923/2023
ICSI Unique code: L2025MH018900

Place: Mumbai
Date: May 01, 2025

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 511, Acme Plaza Andheri Kurla Road, Andheri (East), Mumbai - 400059 (hereinafter referred to as **"the Company**"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 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 in Company
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 my 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

Sd/-
Bhavika Bhatt
Designated Partner
ACS No.: 36181, COP No.: 13376
UDIN: A036181G000246699
Peer Review Certificate No.: 2923/2023
ICSI Unique code: L2025MH018900

Place: Mumbai
Date: May 01, 2025

Directors' Report

CEO AND CFO CERTIFICATION

(Under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors,
Home First Finance Company India Limited,

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of **Home First Finance Company India Limited** ("**the Company**"), to the best of our knowledge and belief certify that:

A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee that:

   i. There were no significant changes in internal control over financial reporting during the year;
   ii. There were no significant changes in accounting policies during the year and that are required to be disclosed in the notes to the financial statements; and
   iii. There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Home First Finance Company India Limited

Sd/-
Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Sd/-
Ms. Nutan Gaba Patwari
Chief Financial Officer

Date: May 01, 2025
Place: Mumbai

Directors' Report

Annexure IV

REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY25

1. Brief outline on CSR policy of the Company:

Home First Finance Company India Limited ("**Home First**"/ "**Company**") believes in integrating its business model with the social welfare of people and society. The Company strives to become an asset in the communities where it operates, through constant and collaborative interactions with external stakeholders.

The Company's policy on Corporate Social Responsibility **("CSR")** sets out a statement containing the approach and direction given by the Board of Directors after considering the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. The Policy on CSR 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.

We respect the interests of and are responsive towards all our stakeholders. Our CSR policy provides for constitution of a CSR Committee, an implementation strategy which include identification of CSR projects, setting measurable targets, organizational mechanism and responsibilities, time schedule, execution and monitoring.

The CSR Policy aligns with the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013 **("Act")** read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of Act.

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. Skilling and Employment: Enhancing the employability of groups such as youth, women, vocational training, soft skills development, and entrepreneurship training tailored to local needs.

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

d. Financial literacy: Promoting awareness and digital literacy among students and parents, Building Student understanding of money, stressing the importance of saving, and instilling future planning skills.

e. Environment: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.

2. Composition and Meetings of CSR and ESG Committee:

The members of the CSR and ESG Committee as at March 2025 were:

Sr. No.	Name	Designation/Nature of Directorship	Number of meetings of CSR & ESG held during the year	Number of meetings of CSR & ESG attended during the year
1.	Ms. Geeta Dutta Goel	Chairperson/ Independent Director	2	2
2.	Ms. Sucharita Mukherjee	Member/ Independent Director	2	1
3.	Mr. Manoj Viswanathan	Member/ Managing Director & Chief Executive Officer	2	2

Directors' Report

3. **Web-link where Composition of CSR & ESG committee, CSR Policy and CSR projects approved are disclosed on the website of the company:**

The Composition of CSR and ESG Committee, CSR Policy and CSR Projects approved are available on the website of the Company at the following links:

- Composition of CSR and ESG Committee – Click Here
- CSR Policy - Click Here
- CSR Projects on website - Click here

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: **₹30,707.22 Lakhs**

(b)Two percent of the average net profit of the Company as per section (5) Section 135: **The Company is required to spend ₹614.14 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)]: ₹ **614.14 lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **599.88 lakhs**

(b) Amount spent in Administrative Overheads: **₹21.69 Lakhs**

(c) Amount spent on Impact Assessment, if applicable: **NIL**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **621.57 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

i. CSR amount spent: ₹ **621.57 Lakhs**

ii. CSR amount unspent: **NIL**

(f) Excess amount for set-off, if any:

in Lakhs

Sr.no	Particulars	Amount (in ₹)
i	Two percent of average net profit of the company as per sub-section (5) of section 135	614.14
ii	Total amount spent for the Financial Year	621.57
iii	Excess amount spent for the Financial Year [(ii)-(I)]	7.43
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N.A.
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	N.A.

Directors' Report

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 on behalf of Home First Finance Company India Limited

Sd/-
Manoj Viswanathan
Managing Director & CEO
DIN: 01741612

Sd/-
Geeta Dutta Goel
Independent Director
Chairperson of CSR and ESG Committee
DIN: 02277155

Directors' Report

Annexure V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[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, 2025, 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, 2025, 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 and External Commercial Borrowings. Overseas Direct Investment is 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;

  e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the

Directors' Report

Companies Act and dealing with client – Not Applicable;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable.

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with the provisions of the master directions issued by Reserve Bank of India, National Housing Bank Act, 1987, Circulars, Master circulars, Notifications and Guidelines as prescribed for Housing Finance Companies.

Further, the Company being a registered Corporate Agent with the Insurance Regulatory and Development Authority of India (IRDAI), has complied with IRDAI (Registration of Corporate Agents) Regulations, 2015.

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

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

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

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. There were no changes in the composition of the Board of Directors during the period under review.

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 commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, the Company has undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz;

i. Board approval for payment of profit related commission to Independent Directors for Financial Year 2023-2024;

ii. Approval for increase in remuneration of Managing Director and CEO for Financial Year 2024-2025 and performance linked incentive for Financial Year 2023-2024;

iii. Allotment of Equity shares pursuant to exercise of options of ESOP Scheme II, ESOP 2012 and ESOP 2021 Scheme;

iv. The Company has obtained Board and Member's approval for the following businesses:

    i. Declaration of final dividend for FY 2023-2024;
    ii. Appointment of M/s. B S R & Co. LLP, Chartered Accountants as the statutory auditors of the Company for a period of 3 years;
    iii. Re-appointment of Mr. Deepak Satwalekar (DIN: 00009627) as Chairman and Non-executive Independent Director for second term of five

Directors' Report

consecutive years;

iv. Increase in borrowing powers in excess of Paid-up capital, Free reserves and Securities Premium of the Company pursuant to Section 180(1)(C) of the Companies Act, 2013;

v. Creation of charge 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

vi. Approval of Home First Finance Company India Limited - ESOP Scheme 2024 for the eligible employees of the Company;

vii. Approval for raising funds by way of issuance of equity shares to eligible investors through Qualified Institutions Placement.

For Bhatt & Associates Company Secretaries LLP

Sd/-
Bhavika Bhatt
Designated Partner
ACS No.: 36181, COP No. 13376
UDIN: A036181G000246589
Peer review certificate no.: 2923/2023
ICSI Unique code: L2025MH018900

Place: Mumbai
Date: May 01, 2025

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

Sd/-
Bhavika Bhatt
Designated Partner
ACS No.: 36181, COP No. 13376
UDIN: A036181G000246589
Peer review certificate no.: 2923/2023
ICSI Unique code: L2025MH018900

Place: Mumbai
Date: May 01, 2025

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 for FY25.</td><td>
<table>
<tr><th>Name</th><th>Ratio</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>42:1</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>5:1</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td>4:1</td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>4:1</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>5:1</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 FY25.</td><td>
<table>
<tr><th>Name</th><th>Percentage (Increase/Decrease)</th></tr>
<tr><td>Mr. Manoj Viswanathan</td><td>20%</td></tr>
<tr><td>Mr. Deepak Satwalekar</td><td>11%</td></tr>
<tr><td>Ms. Geeta Dutta Goel</td><td>100%</td></tr>
<tr><td>Mr. Anuj Srivastava</td><td>24%</td></tr>
<tr><td>Ms. Sucharita Mukherjee</td><td>14%</td></tr>
<tr><td>Mr. Narendra Ostawal</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>20%</td></tr>
<tr><td>Mr. Shreyans Bachhawat</td><td>22%</td></tr>
</table>
Sitting fees paid to the Independent Directors is part of the remuneration.
</td></tr>
<tr><td>3.</td><td>The percentage increase in the median remuneration of employees in the FY25.</td><td>10.5% PA effective April 2024
*(Annualised increment % is given above)</td></tr>
<tr><td>4.</td><td>The number of permanent employees on the rolls of company</td><td>1,634 as on March 31, 2025</td></tr>
<tr><td>5.</td><td>Average percentile increase 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</td><td>Average percentile increases made in the salaries of employees other than the managerial personnel in the last financial year = 10% PA effective April 2024 (Annualised)

Average percentile increases made in the salaries of managerial personnel in the last financial year = 21% PA</td></tr>
</table>

Directors' Report

Sr.No	Particulars	Details
	and point out if there are any exceptional circumstances for increase in the managerial remuneration.	effective April 2024 (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.

iii. The ratio of remuneration of each Director to the median remuneration of the employees of the Company is calculated basis 1,038 employees who have been in the organisation for the entire financial year.

iv. Ms. Geeta Dutta Goel had not drawn any remuneration in FY24, resulting to increase of 100% in the remuneration in FY25.

Directors' Report

ANNEXURE VII

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

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 2266940386
8	Website	www.homefirstindia.com
9	Financial year for which reporting is being done	2024-25 (1st April 2024 to 31st March 2025)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE, Scrip Code: HOMEFIRST) and BSE Limited (BSE, Stock Code: 543259)
11	Paid-up Capital	₹ 180,111,080 /-
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	Disclosures made in this report are on a standalone basis and pertain only to Home First Finance Company India Limited.
14	Name of assurance provider	Not Applicable*
15	Type of assurance obtained	Not Applicable*

*In pursuance of SEBI Circular No.: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 r.w. SEBI LODR (Third Amendment) Regulations, 2024 dated 17th May 2024 and its Press Release - PR 36/2024 dated 18th December 2024, it is not mandatory for the company to undertake reasonable assurance of the BRSR Core for the FY25.

Directors' Report

II. Products/Services

1. 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	Home Loans and Loan against Property	100%

2. 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

3. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices
National	Not Applicable*	155**
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, a Call Centre at Mahape. On an overall basis our head office comprises of 15 different sub-offices, If we count these sub-offices separately then the total number of offices for HomeFirst is 170.

4. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	13 states/union territory
International (No. of Countries)	NIL

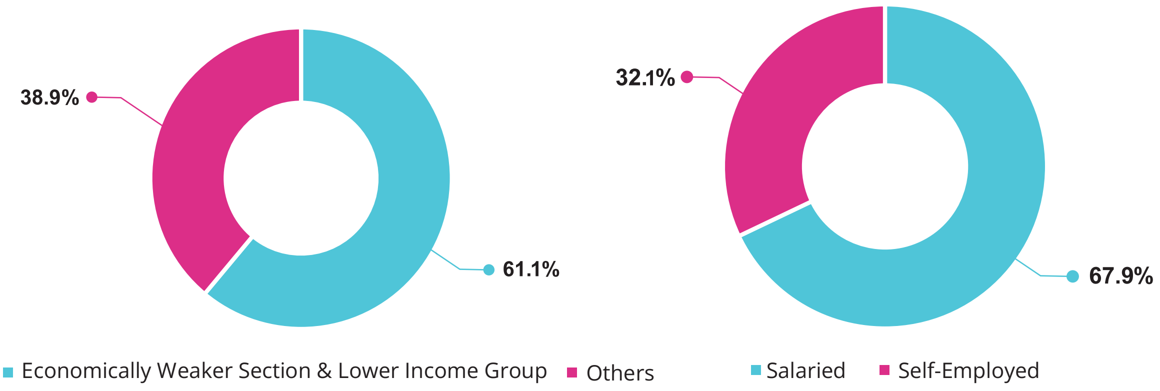
b) What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c) A brief on types of customers

We serve to Salaried customers and Self-Employed customers. The average tick size of the loans by the customers is about ₹ 11.7 Lakhs. Financial Inclusion remains our priority depicting in our mix of borrowers from Economically Weaker and Low-Income groups who are generally underserved or unserved by Banks/larger financial Institutions.

Directors' Report



IV. Employees

5. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1,634	1,172	71.7%	462	28.3%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	1,634	1,172	71.7%	462	28.3%
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

b) Differently abled Employees and workers:

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

6. Participation/ Inclusion/ Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.0%
Key Management Personnel	3	1	33.3%

7. Turnover rate for permanent employees and workers: *(Disclose trends for the past 3 years)*

	FY25 (Turnover rate)			FY24 (Turnover rate)			FY23 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31.8%	27.6%	30.6%	34.9%	24.5%	32.1%	38.7%	43.0%	39.8%
Permanent Workers	-	-	-	-	-	-	-	-	-

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V. Holding, Subsidiary and Associate Companies (including joint ventures)

8. (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

9. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 1,529.95 Crs

(iii) Net worth (in ₹): 2,521.30 Crs

VII. Transparency and Disclosure Compliances

10. 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)	FY25 (Current Financial Year)			FY24 (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	
Employees and Workers	Yes	1	0		0	0	
Customers	Yes	391	0		360	2	
Value Chain Partners	Yes	0	0		0	0	

Link: HomeFirst Customer Grievance Redressal Policy

11. 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	Financing properties that are either non-compliant or situated in inappropriate locations, potentially resulting in serious environmental, social, health, and safety concerns.	Risk	Properties located in environmentally or socially sensitive areas pose risks of legal non-compliance, deteriorating living conditions, and in extreme cases, life-threatening outcomes. This directly affects both communities and the company's collateral quality, which can significantly impact the recovery prospects in case of defaults.	HomeFirst implements a robust property assessment framework that includes location-specific environmental, health, and safety checks. These criteria are regularly accessed and communicated to internal teams and validated by independent valuers to ensure compliance and suitability. We also have a negative exclusion list under our ESG policy, debarring to fund any such properties which can cause damage either to the company's profitability or to the society.	Negative Financing such properties can expose the company to legal liabilities and risks (e.g., demolitions, penalties, litigation), borrower distress, and higher default risk, thereby impacting asset quality and recovery prospects.
2	Exposure of financed properties to climate-related risks such as floods, droughts, or other extreme weather events.	Risk	Properties in high-risk climate zones are more prone to damage or loss during natural disasters, affecting their value and recoverability in case of default.	Use of geo-tagging ensuring regional classification during property appraisal. Avoidance or higher scrutiny in vulnerable zones. Insurance coverage encouraged for all properties.	Negative Significant property damage may affect loan recovery value and lead to higher NPAs. Operational costs may also rise due to increased due diligence and compliance overhead.

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)
3	Ensuring data privacy and cyber security in increasingly digital loan processing and servicing	Risk & Opportunity	With growing digital dependence, data breaches or system failures could erode customer trust and attract regulatory penalties. However, robust systems improve customer experience and operational efficiency.	Implementation of secure, cloud-based loan origination and servicing systems. Regular audits and training for employees on data protection practices. Adoption of focused data privacy policy and appropriate cybersecurity standards.	Positive and Negative Opportunity: Strong digital practices helps us to maintain the best turnaround times and operational costs while boosting customer trust. Risk: Lapses in data privacy and cyber security may lead to penalties, reputational loss, and litigation.
4	Access to affordable housing finance in informal income segments with limited documentation, increasing financial inclusion	Risk & Opportunity	India's large underserved population lacks access to formal housing finance due to irregular income profiles and limited credit history. While this presents a significant business opportunity for affordable housing financiers like HomeFirst, it also poses a credit risk due to potential mis judgment of repayment capacity. Reliance on informal income assessment increases exposure to default risk if underwriting is not robust.	HomeFirst has built a proprietary tech-led underwriting model that integrates field-level inputs, alternate data sources, and analytics to evaluate borrowers without formal documentation. The company continuously trains its credit teams and refines its scorecards to reduce subjectivity. Independent quality checks and early warning systems are in place to identify and contain portfolio-level risks.	Positive and Negative Opportunity: Expanding credit access enhances social equity and widens HomeFirst's customer base in underserved emerging geographies. Risk: Inadequate assessment due to documentation gaps can lead to higher delinquencies, increasing provisioning costs and impacting profitability.

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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. Below are the nine principles:

P1	**Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable**
P2	**Businesses should provide goods and services in a manner that is sustainable and safe**
P3	**Businesses should respect and promote the well-being of all employees, including those in their in their value chain**
P4	**Businesses should respect the interests of and be responsive towards all its stakeholders**
P5	**Businesses should respect and promote human rights**
P6	**Businesses should respect, and make efforts to protect and restore the environment**
P7	**Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**
P8	**Businesses should promote inclusive growth and equitable development**
P9	**Businesses should engage with and provide value to their consumers in a responsible manner**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 disclosed policies on the website of the company with indicative mapping against each principles in Note 1 below*	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	HomeFirst Corporate Governance								
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 value chain partners to adhere to the same standards of ethics and values as are observed by the Company. Our Code of Conduct for Supplier and Vendor and Conduct for connectors highlight the same. Link: HomeFirst Supplier and Vendor Code of Conduct								
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.	None								

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5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Our efforts continue to keep improving the company on fronts of the below focus areas of our ESG framework **Environment:** Operational Eco-efficiency, Climate Resilience, Sustainable Finance **Social**: Employee Training and Development, Health and Safety, Customer Satisfaction, Community Relations, Employment and Labour Practices **Governance:** Data Protection and Privacy, Corporate governance, Risk Management, Code of Conduct and Business Ethics.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Environment:** - Penetration of Digitally signed Agreements at 76.1% (from 67.0% in FY24), E-stamping at 65.1% (from 63.9% in FY24), E-NACH Mandate at 78.6% (from 67.6% in FY24). - 96.1% of active customers are registered on HomeFirst Customer Portal App (94.9% in FY24). Android Rating is 4.3 as on 16th May'25 (vs 4.1 on 06 May'24). - Funding from Global Development Institutions to meet specific ESG goals towards social and environment welfare. - 120 Certified Green Homes. - "Green Box" initiative for faster and hassle-free execution for Green Homes certifications. (142 green box executions till Mar'25) - The company has initiated meaningful progress in green housing, a strategic initiative contributing to the reduction of greenhouse gas (GHG) emissions. 120 Green Homes have been certified as of Mar'25. These initiatives are expected to result in an annual reduction of 110 tonnes of CO_2 equivalent (tCO_2e), through savings of 163.39 MWhe of electricity and 5,254.27 cubic meters of water. **Social:** - We have Equal Opportunity Policy, Parental Leave Policy and a formal talent pipeline development strategy.

	- Employee Training Hours in FY25, 23,963 manhours (from 13,495 manhours in FY24). - On women representation, about 27.5% are women, with 49.5% women at head office and 22.2% women in management. - We have 826 fresh hires during the year, representing 50.6% of hiring rate. - Overall, 88.6% of loans have women as a borrower; Women as a Primary applicant in 13.2% of loans. - EWS and LIG customers account for more than ~61.1 % of AUM (vs ~63.4% in FY24). - NPS score at 82 from Litmus (vs 79 in FY24), representing strong customer satisfactions. - We have prepayment facility provided on the Customer App to "nudge" customers towards prudent finance management. **Governance:** - 7 of 8 Directors are non-executive, 4 of 8 Directors are Independent Directors and 2 of 8 Directors are Woman Directors. - Adoption of a Board approved Data Privacy Policy to maintain high standards of data security. - ESG risk rating of 16.2 from Morning Star Sustainalytics indicating "low risk" and a strong ESG performance rating from S&P Global (46 in FY25 vs 34 in FY24)
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. 46.	
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. **Board-Level Supervision:** The CSR and ESG Committee supervises the ESG initiatives under the Board's guidance **Executive Oversight:** The MD & CEO and senior management oversee ESG and sustainability efforts, supported by a dedicated

Directors' Report

<table>
<tr><td></td><td colspan="9">execution team. A monthly ESG dashboard is presented to the management team to track the progress of ESG-related initiatives.
Performance Review & Policy Update:
An annual ESG plan is approved by the CSR & ESG Committee, an update of the plan is presented to the committee twice a year and an annual review is conducted by the Board. The ESG Policy undergoes an annual review to incorporate regulatory changes, best practices, and trends, ensuring its relevance and effectiveness.</td></tr>
<tr><td>10. Details of Review of NGRBCs by the Company:</td><td colspan="9">1. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee
2. Frequency - Annually/ Half yearly/ Quarterly/ Any other – please specify</td></tr>
<tr><td></td><td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td></tr>
<tr><td>Performance against above policies and follow up action</td><td colspan="9">The Company periodically reviews all policies and necessary changes are made to the policies and processes as per the need. All the policies are placed at least once in a year to the Board of review/approval for changes, if any.</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td><td colspan="9">The Company complies with the extant regulations and principles as are applicable.</td></tr>
<tr><td>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.</td><td colspan="9">Yes. The processes and compliances are subject to scrutiny by Internal Auditor, Statutory Auditor, Secretarial Auditor, Regulators and Credit Rating Agencies as applicable. Policies are periodically evaluated and reviewed by the Board once a year.
The Company has obtained independent assurance of its Scope II Green House Gas emissions (GHG) and on disclosures under the certain GRI Reporting Standards from PwC. Refer assurance report from PwC on page no. 419.</td></tr>
</table>

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12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note 1:	
P1 - Ethics & Transparency	KYC-AML Policy Code of practices and procedures for fair disclosure of UPSI Internal Guidelines on Corporate Governance Vigil Mechanism and Whistle Blower Policy Compliance Policy Code of conduct for the Board of Directors and the Senior Management Personnel Code of conduct for regulating, monitoring and reporting of Trading by Insiders* **This is an internal policy*
P2 - Product Responsibility	Fair Advertising Policy ESG Policy Fair Practice Code Credit Policy* **Credit policy is a Board approved internal policy*
P3 - Human Resources	Learning Policy POSH Policy Health and Safety Policy HR Policy* **HR policy is an internal document available to all the employees*
P4 - Responsiveness to stakeholders	Customer Grievance Redressal Policy Dividend Distribution Policy Policy on Materiality of Related party Transactions and dealing with related parties

Directors' Report

P5 - Human Rights	Human Rights Policy Supplier and Vendor Code of conduct
P6 - Protect Environment	Environment Management Policy Technology Equipment Handling and Disposal Policy* **Internal Policy*
P7 - Public Policy Advocacy	Homefirst may share its expertise to help in the formulation of public policy (in form of opinion to regulators on draft policies, its view through trade associations like ASSOCHAM etc.) and advocacy with suppliers to imbibe sustainability and business responsibility practices. It does not directly engage in lobbying or advocacy activities. Code of Conduct Corporate Social Responsibility Policy
P8 - Inclusive Growth	Equal Opportunity Policy Diversity Inclusion Policy Policy to promote Diversity of BOD Fit and Proper Policy
P9 - Customer Engagement	Code of Conduct For Connector Anti-Bribery and Anti-Corruption Policy

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

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 developments on the ESG front and educated basis topics such as Green Housing, GHG emissions, Green initiatives undertaken during the year in the relevant ESG meetings.	100%
Key Management Personnel	2	The KMP were apprised of various developments on the ESG front and educated basis topics such as Green Housing, GHG emissions, Green initiatives undertaken during the year in the relevant ESG meetings.	100%
Employees other than BoD and KMPs	1	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 and Information Security Awareness training.	99.2%
Workers	NA	NA	NA

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/enforcement agencies/ judicial institutions**	**Amount (in ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	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: HomeFirst Anti-Bribery and Anti-Corruption Policy

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruptio

	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers	NA	NA

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

	FY25 (Current Financial Year)		FY24 (Previous Financial Year)	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Number of days of accounts payables	42	61

Note: The numerator includes average trade payables, adjusted for exceptional items that are not part of total purchases. The denominator comprises total purchases, which include relevant other expenses as disclosed in the Statement of Profit and Loss, along with capital expenditures (i.e., additions to Property, Plant and Equipment excluding Right-of-Use assets) made during the year.

9. **Openness of business**
   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:
   We are engaged in the business of providing housing finance. Due to the nature of our business model, which primarily revolves around delivering services rather than dealing with tangible goods or inventory, we do not typically incur accounts payables in the conventional sense. Therefore, this parameter is not relevant for us.

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Parameter	Metrics	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers /distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NIL	NIL
	d. Investments (Investments in related parties / Total Investments made)	-	-

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

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
Ongoing (Green Box Initiative)	Principle 6: Businesses should respect and make efforts to protect and restore the environment. Training focused on Green Home certification processes and EDGE certification parameters.	Negligible

Details: During the year, we launched the "Green Box" initiative to accelerate the Green Homes certification process. As part of this initiative, we onboarded and trained 4 key partners who supported us in achieving 120 Green Home certifications. The awareness sessions were aimed at building technical know-how around EDGE certification criteria, thereby aligning with Principle 6 of the Business Responsibility and Sustainability framework.

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2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same**

   Yes. The Company has Code of Conduct for Board Of Directors and Senior Management Personnel. In compliance with the SEBI Listing Regulations, the board of directors of the Company ("Board") has laid down this Code for the Board and the senior management personnel of the Company. It dictates the way in which the company will be conducting its business. The code requires the Board and the senior management team must engage only in activities that align with the interests of the Company and refrain from engaging in any business, relationship, or activity that may bring discredit to the Company or create conflicts of interest between personal interests and the interests of the Company and its stakeholders.
   Link: Code of Conduct for Board of Directors and Senior Management Personnel

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.

	FY25 (Current Financial Year) (₹ in Crs)	FY24 (Previous Financial Year) (₹ in Crs)	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	1.23	0.04	-
Technology and Software Fees	20.04	16.36	Reducing paper usage across processes and enhancing financial inclusion at a faster pace

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?

As a housing finance company focused on lending, our primary inputs revolve around financial resources and talent. Given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations.

Digitization across the Value Chain

Through extensive digitization across the value chain, we have significantly minimized the reliance on paper-based processes traditionally involved in underwriting and loan servicing. Our Connector App enables our connectors to submit leads digitally through a user-friendly interface. The RM Pro App allows relationship managers to update customer profiles, log visit histories, and track collections seamlessly. Our loan origination and management systems operate on a centralized digital platform, enabling underwriters to review and approve loan files without the need for physical documentation. Additionally, our loan agreements are executed digitally. Customers are also empowered through our mobile app to raise service requests, view loan details, and manage repayments conveniently—ensuring transparency, efficiency, and reduced environmental footprint.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company is in the business of providing housing loans. Hence, the scope for using recycled materials as inputs is limited. Further, we have a tie-up with e-waste handler for disposal of electronic waste.

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4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
64910	Housing Finance Activities	100%	From Loan sanction to settlement/ Closure	No	The entire life cycle assessment of company's business operations is presented in the Qualified Institutional Placement Document Web-link PD - https://nsearchives.nseindia.com/content/equities/PD_HOMEFIRST_110425.pdf Further during the year the company, through an external agency, got a research study done on the social and financial impact of home ownership on its customers over long term. Refer to the summary of report on page no. 19.

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Credit Approval and Disbursement We have set up a robust credit approval process comprising the following stages:

Data Science Backed Centralised Credit Approval & Disbursement Process

Initial Screening and Pre-Sanction Check	• Thorough due-diligence before onboarding connectors and other partners. Quick response on generated leads. • Comprehensive screening of the customer profile, including understanding income sources and risks, property/residence/workspace verification. • Digital validation of leads through third-party databases for KYC. Filtering out low credit bureau score customers. • Detailed proposal is submitted by front-end team covering photos/ videos and other relevant information/ documents.
Customer Credit Underwriting	• Data-science backed centralised underwriting. • Integrated CRM & Loan management System on cloud-based platform • API integration with third party independent sources and usage of account aggregator to help in triangulation of income and proofs, submitted to front-end teams, done from a single dashboard • Proprietary Machine learning & customer scoring models built used for credit decision
Property Underwriting & disbursement process	• In-depth understanding of property types and land laws of the operating geographies • Legal and technical assessment through third party vendors & internal team • Geo-tagging all properties
Loan Collection and Monitoring	• Tiered collection system led by the same front-end team, ensuring strong sense of responsibility. • Usage of analytical tools like bounce prediction to support ground team and focus on early delinquencies. • Digital medium like automated calling & SMS/ WhatsApp messages to enhance collection efforts. • Tracking instalment collection status on real time basis • Convenient omni-channel payment options via Card, UPI, Net banking, Customer App etc.

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	

Directors' Report

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	
	FY25 (Current Financial Year)	FY24 (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:

	FY25 (Current Financial Year)			FY24 (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 401units in FY25 and 0 units in FY24*

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 Employees											
Male	1,172	1,172	100	1,172	100	NA	NA	1,172	100	NA	NA
Female	462	462	100	462	100	462	100	NA	NA	NA	NA
Total	1,634	1,634	100	1,634	100	462	100	1,172	100	NA	NA
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Various measures undertook by company for the well-being of its employees is highlighted under the Human capital of our Sustainability Report

b. Details of measures for the well-being of workers:

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 Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.5%	0.4%

Note: The cost incurred for well-being measures for employees used above consists of actual cost incurred on staff welfare expenses, Health and Medical Insurance cost for employees and Cost to company on account of paid absences during parental leaves (Maternity and Paternity leaves) given to employees.

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

Benefits	FY25 (Current Financial Year)			FY24 (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	100%	NA	Y	100%	NA	Y
Gratuity	As per Gratuity Act, it is paid post 5 years of service with the company.					
ESI	NA	NA	NA	NA	NA	NA
Others						

The option to invest in NPS received a good response in the current financial year with 23 employees availing of the same (compared to 18 employees in FY24).

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.

At the close of the last fiscal year, Homefirst did not have any differently abled individuals on its roll. Presently, all company offices are either leased or under a leave and license agreement. Homefirst does not own any premises, and there is a shared entrance for the building. The company utilizes the access provided by the complex where its offices are leased, ensuring equal access for all employees, including those who are differently abled.

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 our employees and job applicants equally. Our Equal Opportunity 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: HomeFirst Equal Opportunity Policy

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

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	84.6%	NA	NA
Female	100%	50.0%	NA	NA
Total	**100%**	**69.6%**	NA	NA

Retention Rate: There were 13 male employees who returned from their paternity leave in FY24, 11 of the 13 employees remained in the organization at the end of 12 months. There were 10 female employees who returned from their maternity leave in FY24, 5 of the 10 employees remained in the organization at the end of 12 months

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 reach to the HR team to raise a complaint and the same is then taken up by the HR team who will resolve the complaint / grievance / issue by means of travel or call. 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	**FY25 (Current Financial Year)**			**FY24 (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					

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Total Permanent Workers	NA
- Male	NA
- Female	NA

8. Details of training given to employees and workers

Category	**FY25 (Current Financial Year)**					**FY24 (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	1,172	1,149	98.0%	408	34.8%	893	369	41.1%	276	30.0%
Female	462	454	98.3%	192	41.6%	356	166	46.6%	119	33.4%
Total	1,634	1,603	98.1%	600	36.7%	1,249	535	42.8%	395	31.6%
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. HomeFirst has partnered with 1 to 1 help, giving employees access to counselling services through the Employee Assistance Program (EAP) or for general guidance.

9. Details of performance and career development reviews of employees and workers:

Category	**FY25 (Current Financial Year)**			**FY24 (Previous Financial Year)**		
	Total (A)	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**% (D/C)**
Employees						
Male	1,172	1,172	100%	893	893	100%
Female	462	462	100%	356	356	100%
Total	1,634	1,634	100%	1,240	1,240	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 maintains a Health and Safety Policy to ensure that all employees have a safe, hygienic, and pleasant work environment.
- All company employees are included in both the Group Personal Accident Insurance Policy, Group Term Life Policy and the Group Health Insurance Policy.
- Recognizing the significance of employee mental health and overall wellbeing, the company offers one-on-one counseling sessions for employees.

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- We also have Health and Safety Policy in place. HomeFirst has partnered with 1 to 1 help, giving employees access to counselling services through the Employee Assistance Program (EAP) or for general guidance.
- Additionally, training sessions are conducted to enhance awareness of occupational health and safety.

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, being a housing finance company operating primarily in the services sector, is exposed to relatively lower levels of work-related hazards compared to manufacturing or field-intensive industries. However, we remain committed to maintaining a safe and supportive work environment. The entity has a Board approved Health and Safety Policy. Below are the few approaches being taken by entity to assess any risks.

- Proactive Employee Feedback Mechanism: We gather structured feedback from employees at regular intervals post joining (30 and 90 days), which helps identify any early signs of workplace discomfort or challenges, allowing timely resolution.

  Further, for enabling solutions to varied challenges being faced by our women employees, we conducted a study of challenges through the responses received from our women safety survey and rendered issue specific solutions to address similar challenges being faced by them.
- Open-Door Culture: We encourage a transparent and accessible work culture where employees can freely approach senior leadership to discuss workplace issues or concerns.
- Formal Grievance Channels: Our Vigil Mechanism and Whistle Blower Policy provide additional formal channels for employees to raise concerns anonymously and securely, ensuring that potential risks are brought to the attention of the management without fear of retaliation.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. While work-related hazards are minimal due to the nature of our business, employees can report any concerns to their Department Head, HR, or Business Head. Health and Safety is guided by a formal policy, and employees are supported through health insurance and a structured escalation process.

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 including the dependents 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	FY25 (Current Financial Year)	FY24 (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

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Safety Incident/Number	Category*	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
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 prioritizes employee safety and wellbeing, particularly evident during the pandemic where the company covered treatment expenses for employees and their families during home quarantine. Recognizing the importance of emotional health, HomeFirst offers one-on-one counseling sessions for employees. We also have Health and Safety Policy in place. HomeFirst has partnered with 1 to 1 help, giving employees access to counselling services through the Employee Assistance Program (EAP) or for general guidance.

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

	FY25 (Current Financial Year)			FY24 (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.

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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. The Company also extends Group Term Life Insurance Policy – wherein financial protection to the nominee or beneficiary is provided in case of the death of the covered individual during the policy term. The sum assured will be either 4 times of employee's CTC or ₹ 20 lakhs, whichever amount is higher. 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:**

	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	
	FY25 (Current Financial Year)	FY24 (Previous Financial Year)	FY25 (Current Financial Year)	FY24 (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 25.5 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.

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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

The Company identifies key stakeholder groups based on their influence on and contribution to the Company's mission and long-term value creation. These include individuals, institutions, or groups with whom we engage regularly and who are integral to our operations. Our stakeholder universe includes, but is not limited to, employees, customers, shareholders (including prospective investors), lead sourcing partners (such as connectors), regulators, lenders, research analysts, communities, NGOs, and various service providers.

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 meet specified criteria (e.g., income, gender, etc.)	• Customer satisfaction surveys and feedback • Interaction at Branches • Customer Care Phone Number • Digital Channels - Customer App, SMS, WhatsApp, Social media platform, chatbot, Video Call • Pamphlets • House Visits/Work Visits	Ongoing	To maintain active engagement throughout the customer lifecycle, address queries and grievances, and ensure high-quality customer service
Employees	No	• Internal emails • In-person/ virtual meetings • Appraisal processes • Online surveys	Ongoing	Focus on skill development, well-being, and overall engagement through training programs,

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		- Employee engagement initiatives		wellness initiatives, and employee welfare schemes.
Shareholders/ Investors	No	- Quarterly earning conference calls - Press releases - AGMs and investor meets (including virtual) - Email, SMS - Notices via newspapers, websites, and stock exchanges	Ongoing	Ensure transparency and regular updates on company performance, governance, economic results, and compliance matters. Also to be informed about market dynamics and Investor expectations.
Regulators, lenders and credit rating agencies	No	- Emails - One-on-one meetings - Conference and video calls - Mandatory regulatory filings	Ongoing	Discussion on regulatory compliance, audits, inspections, approvals, and updates on statutory amendments.
Research Analysts	No	- Emails - One-on-one meetings - Conference and video calls	Ongoing	Sharing timely and relevant updates about the company's performance, strategy and understand the market expectations
Communities & NGOs	No	- Project assessment reviews - Joint evaluations - Participation in community welfare initiatives	Ongoing	Collaborative implementation and monitoring of CSR initiatives; addressing social development concerns.
Channel partners & Key Vendors	No	- Regular meetings - Email and phone communication	Ongoing	Strengthening business partnerships, ensuring operational alignment, and resolving day-to-day coordination matters.

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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.**

The Company has constituted dedicated Board-level sub-committees to oversee stakeholder concerns and ensure responsive governance across key areas, including customer grievances, shareholder relations, ESG performance, and other stakeholder feedback.

- **Grievance Redressal Committee (GRC):**

The GRC is responsible for addressing all customer-related issues and ensuring timely resolution. The Committee meets on a quarterly basis. The minutes of each meeting, which detail the nature of complaints received and their resolution timelines, are subsequently reviewed and ratified by the Board in the following Board meeting.

- **Stakeholders Relationship Committee (SRC):**

The SRC is tasked with resolving grievances raised by shareholders and investors. The Committee convenes half-yearly, and its meeting minutes are presented to the Board to ensure transparency and alignment with governance best practices.

- **CSR and ESG Committee:**

This Committee oversees the implementation and progress of the Company's ESG and CSR initiatives. Monthly ESG dashboards are prepared by the execution team to track progress on sustainability initiatives. The CSR and ESG Committee meets twice a year to review progress and give direction. Further, an annual review is conducted by the Board.

- **Feedback from Lenders, Credit Rating Agencies, and Research Analysts:**

Input and recommendations received from lenders, rating agencies, and research analysts—where applicable—are considered internally. Relevant insights are incorporated into the Company's corporate communications and disclosure materials, in line with regulatory requirements and strategic communication needs.

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 actively engages with key stakeholders—including investors, shareholders, rating agencies, customers, and vendor partners—to better understand emerging environmental and social expectations, benchmark its ESG performance against global best practices, and continuously refine its sustainability strategy.

Key examples of how stakeholder inputs have shaped the ESG activities include:

- **ESG Ratings & Benchmarking:**

The Company is regularly evaluated by ESG rating agencies such as Morningstar Sustainalytics and S&P Global, whose feedback has provided actionable insights into various disclosures by the company. These evaluations have helped sharpen the Company's ESG focus and enhance the robustness of its disclosures and practices. During FY25 the companies S&P ESG score improved to 46 from 34 in FY24 , validating the impact of the feedbacks received and actions incorporated by the company.

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- **Partnership with IFC and Implementation of IFC-EDGE Protocol:**

  As part of its commitment to green and sustainable housing, the Company has partnered with the International Finance Corporation (IFC) for advisory support in implementing environmentally responsible practices. In collaboration with Sintali, an authorized certifier, the Company is certifying homes financed under its portfolio in line with the IFC-EDGE (Excellence in Design for Greater Efficiencies) green building standard. This initiative is enabling the Company to integrate energy-efficient, climate-smart measures into its operations and product offerings, directly supporting environmental goals and aligning with stakeholder expectations around sustainability.

  These stakeholder-driven insights and collaborations have been instrumental in shaping the Company's environmental and social initiatives, ensuring that its strategy is both responsible and responsive to evolving global standards.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company's core business focuses on enabling access to affordable housing finance for customers from economically weaker sections and low-income groups—many of whom qualify as vulnerable or marginalized stakeholders. Through a combination of financial inclusion, digital accessibility, and community initiatives, the Company remains committed to addressing their specific needs and challenges.

Key actions taken include:

- **Inclusive Financial Services:**

The Company offers housing loans tailored to the needs of financially underserved individuals and families, many of whom lack access to formal credit. The underwriting process is designed to accommodate non-traditional income profiles, thereby improving access for marginalized communities.

- **Zero-Cost Prepayment and Auto Prepay Facility:**

To ease the financial burden on borrowers, the Company provides a prepayment facility at no additional cost through its digital Customer App. The company also offers an auto prepayment facility to its borrowers for an amount as low as ₹ 500 on a monthly basis. This empowers customers—many of whom are first-time homeowners—to manage their loan repayments more efficiently and reduce their financial stress.

- **Customer Education and Digital Convenience:**

The Company empowers its customers through dedicated education and support initiatives. Through the "HomeFirst Gyaan" series on YouTube, marketing collaterals, and active social media engagement, customers are guided on product knowledge and responsible financial practices. The Company's Customer App further enhances convenience by offering an intuitive platform for users to check loan status, make EMI payments, raise service requests amongst other features—promoting transparency, financial awareness, and ease of access.

- **CSR Initiatives for Community Upliftment:**

Several Corporate Social Responsibility (CSR) initiatives were undertaken during the year to support vulnerable and marginalized groups beyond the Company's customer base. These initiatives span areas such as financial literacy, education, skill development, healthcare, and sanitation.

(Further details on these initiatives can be found in the CSR section on page no. 251.

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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:

We have a Human Rights Policy which is hosted publicly on our website. Link: Human Rights Policy However, no specific trainings have been undertaken on human rights issue/policies in the years FY25 and FY24. The company is currently in the advanced stages of developing a training module focused on educating employees about human rights issues.

Category	FY25 (Current Financial Year)			FY24 (Previous Financial Year)		
	Total (A)	No. employees of workers/ covered (B)	% (B/A)	Total (C)	No. employees of workers/ covered (D)	% (D/C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	**-**	**-**	**-**	**-**	**-**	**-**
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	**-**	**-**	**-**	**-**	**-**	**-**

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

Category	FY25 (Current Financial Year)					FY24 (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	**1,634**	**-**	**-**	**1,634**	**100**	**1,249**	**-**	**-**	**1,249**	**100**
Male	1,172	-	-	1,172	100	893	-	-	893	100
Female	462	-	-	462	100	356	-	-	356	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

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Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		**Female**	
	Number	**Median remuneration/ salary/of respective category (₹)**	**Number**	**Median remuneration/ salary/of respective category (₹)**
Board of Directors (BoD)	2	3,000,000	2	3,050,000
Key Managerial Personnel*	2	16,509,482	1	24,034,697
Employees other than BoD and KMP	735	740,258	301	532,182
Workers	NA	NA	NA	NA

**Manoj Viswanathan (MD & CEO) is categorized as Key Managerial Personnel for the purpose of this table. The median remuneration / Salary is considered basis the actually amount paid during the year to 1,039 employees (including KMP) who have been in the organisation for the entire financial year.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY25 (Current Financial Year)	**FY24 (Previous Financial Year)**
Gross wages paid to females as % of total wages	24.7%	24.3%

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)

Yes, 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, we continuously engage with employees to create awareness, understand and address grievances. through social media, emailers, team and individual meetings with business leads and HR team.

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

	FY25 (Current Financial Year)			FY24 (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	1	1	The complaint was upheld by the Internal Complaints Committee and resolved within 90 days from its reporting	NIL	NIL	No complaints received during the year
Discrimination at Workplace	NIL	NIL	No complaints received during the year	NIL	NIL	No complaints received during the year
Child Labour	NIL	NIL		NIL	NIL	
Forced Labour/ Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other than human rights related issues	NIL	NIL		NIL	NIL	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Total Complaints reported under Sexual Harrasment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	NIL
Complaints on POSH as a % of Female Employees/workers	0.2%	NIL
Complaints on POSH upheld	1	NIL

8. 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

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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 an Equal Opportunity policy. We are committed to a policy of treating all our employees and job applicants equally and we are 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.

Additionally, we continuously engage with employees to create awareness, understand and address grievances through social media, emailers, team and individual meetings with business leads and HR team.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in business agreements and contracts where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	NIL
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	

11. 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.

4. Details on assessment of value chain partners:

	% of your value chain partners (by value of business done with such partners) that were assessed (by entity or statutory authorities or third parties)
Child Labour	The company has a supplier and vendor code of conduct that requires vendors to comply with various aspects of Labour, Workplace and Human Rights. Any breach on these term has to be notified by vendor to the company, non-adherence to the code can lead to cancellation of the contract. While there was no formal third party assessment that happened during the year, the company keeps reviewing the agreements with its vendors on need basis.
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to the above question were required by the Company during the current year.

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	FY25 (Current Financial Year)		FY24 (Previous Financial Year)	
	kWh	TJ	kWh	TJ
From renewable sources				
Total electricity consumption (A)	-	-	-	-
Total fuel consumption (B)	-	-	-	-
Energy consumption through other sources (C)	-	-	-	-
Total energy consumption from renewable sources (A+B+C)	-	-	-	-
From non renewable sources				
Total electricity consumption (D)	1,074,535.19	3.87	8,695,65.19	3.31
Total fuel consumption (E)	-	-	-	-
Energy consumption through other sources (F)	-	-	-	-
Total energy consumption from non renewable sources (D+E+F)	1,074,535.19	3.87	8,695,65.19	3.31
Total energy consumption sources (A+B+C+D+E+F)	**1,074,535.19**	**3.87**	**8,695,65.19**	**3.31**
Energy intensity per rupee of turnover (Total energy - consumed/ Revenue from Operations)	0.00007	0.0000000003	0.00006	0.0000000003
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0015	0.000000006	0.0016	0.000000006
Energy intensity in terms of physical output	-	-	-	-
Energy intensity Per Employee (optional) – the relevant metric may be selected by the entity	657.61	0.002	696.21	0.003

Directors' Report

Note: As per the standards issued for BRSR under SEBI notification SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20th Dec'24, for implied $ PPP conversion, we have used the rates of 20.66 and 20.29 Rupees per International US Dollars, as published by the IMF for FY25 and FY24 respectively. The company does not own any vehicles or diesel generator sets, and there is no stationary combustion taking place; therefore, there is no fuel consumption.

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 Company 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 Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO_2), 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:**

Parameter	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	2,151.70	1,929.38
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of wate withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,151.70	1,929.38
Total volume of water consumption (in kilolitres)	2,151.70	1,929.38
Water intensity per rupee of turnover (Total Water consumption/ Revenue from operations)	0.0000001 KL/₹	0.0000002 KL/₹
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000003 KL/₹	0.000003 KL/₹
Water intensity in terms of physical output		
Water intensity (Kilolitres/Employee p.m.)	0.94	0.94

Directors' Report

Note: As per the standards issued for BRSR under SEBI notification SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20th Dec'24, the water consumption above is based on the estimations released by Central Ground Water Authority (CGWA). Considering higher field role of our front-office, we have presented data only for the head office employees. Further for implied $ PPP conversion, we have used the rates of 20.66 and 20.29 Rupees per International US Dollars, as published by the IMF for FY25 and FY24 respectively.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. Provide the following details related to water discharged: Not applicable

Parameter	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others		
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable

Directors' Report

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not applicable

Parameter	Please specify Unit	FY25 (Current Financial Year)	FY24 (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.

Directors' Report

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY25 (Current Financial Year)	FY24 (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	16.47	15.99
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	781.15	622.55
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent	0.00000005	0.00000006
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent	0.0000011	0.0000011
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity *(optional)* the relevant metric may be selected by the entity	Metric tonnes of CO_2 equivalent/Employee	0.49	0.51

Directors' Report

Note: As per the standards issued for BRSR under SEBI notification SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20th Dec'24, for implied $ PPP conversion, we have used the rates of 20.66 and 20.29 Rupees per International US Dollars, as published by the IMF for FY25 and FY24 respectively.

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 Company 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 Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO2), methane (CH4), nitrous oxide (N_2O) and hydro fluorocarbons (HFCs, HCFCs).

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

The company has initiated meaningful progress in green housing, a strategic initiative contributing to the reduction of greenhouse gas (GHG) emissions. 591 customers are already onboarded with the company for constructing Green Homes of which 120 have already completed certification. These initiatives are expected to result in an annual reduction of 110 metric tonnes of CO_2 equivalent ($MTCO_2e$), through savings of 163.39 MWh of electricity and 5,254.27 cubic meters of water. Agreement has been signed with Sintali to certify Green measures implemented houses under IFC-EDGE protocol. Additionally, identification and onboarding of Home Inspectors across markets is ongoing. They will guide customers onboarded for Green Homes in their Home Construction journey on Green measures and collect the evidences post-Implementation. 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. 118.

9. 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	FY25 (Current Financial Year)	FY24 (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)	**-**	**-**

Directors' Report

Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
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 401 units of e-waste in FY25 and 0 units of e-waste in FY24.*

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- The Company is involved in the business of providing housing finance.
- Majority of our processes are digital, paper wastage is minimal.
- Company does not have any usage of hazardous and toxic chemicals.
- The Company has an e- waste policy and signed an agreement with certified e- waste handler for disposal of e-waste.

11. 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

Directors' Report

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
-	-	-	-

12. 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)
-	-	-	-	-

13. 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:

The company is in the business of providing Affordable Housing finance and hence has a very low intensity of causing pollutions (Water/Air). Most of the operational processes of the company are digital, avoiding paper work and thus by reducing paper wastes. As such there are no direct compliance requirements to the company under 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
-	-	-	-	-

Leadership Indicators

1. 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

Directors' Report

Parameter	FY25 (Current Financial Year)	FY24 (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)	-	-
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) Into-Surface water	-	-
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(ii) Into-Groundwater	-	-
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(iii) Into-Seawater	-	-
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(v) Others	-	-
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. **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, we do report our Scope 1 and Scope 2 emissions.

Directors' Report

Parameter	Unit	FY25 (Current Financial Year)	FY24 (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	Not tracked	Not tracked
Total Scope 3 emissions per rupee of turnover		Not tracked	Not tracked
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity		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.

3. **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

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along - with summary)	Outcome of the initiative
1.	Digital Capture of Primary Data & Paperless Customer Onboarding	The Company has implemented an efficient, end-to-end digital onboarding process. Relationship Managers (RMs) conduct workplace and residence verifications and upload documents directly to a central platform. No physical KYC documents are collected — all data is digitally captured and securely stored on the cloud.	a) Reduced paper usage, contributing to environmental conservation. b) Eliminates the need for physical file movement, saving time, energy, and resources. c) Enhances operational efficiency and data security.

Directors' Report

2.	Remote Payment Collection via Digital Link	Through the RM Pro App, Relationship Managers can send payment links to customers, allowing them to make payments remotely. The transaction status can be tracked in real time	a) Decrease in physical cash collections. b) Saves time and effort for staff. c) Reduces fuel usage and minimizes health exposure risks for employees. d) Enhances customer convenience.
3.	Digital Loan Agreements (E-signature Enabled)	Customers are enabled to e-sign loan agreements through a secure digital interface, eliminating the need for physical signatures and printed documents.	a) Significant reduction in paper usage. b) Saves physical storage space. c) Enables faster turnaround time for documentation.
4.	Customer App for Self-service	A feature-rich Customer App is provided to facilitate services like raising queries, making part-payments, downloading account statements, referring others, and locating branches.	a) Customers can access services without visiting branches. b) Saves time, fuel, and effort. c) Promotes digital empowerment and customer satisfaction
5.	Green Homes Initiative – Collaboration with IFC	In partnership with IFC's advisory services, the Company is working towards creating a portfolio of green-certified, self-built affordable homes. A complete framework for evaluation and certification based on the IFC-EDGE protocol is in place	a) Enables certification of homes under green standards. b) Contributes to reduction in greenhouse gas emissions. c) Promotes climate-resilient housing solutions for low-income customers

Directors' Report

5. **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.

6. **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.

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

   None

8. **Green Credits generated or procured by the listed entity and its top-10 value chain partners.**

   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.

Customer and Employee Grievance Redressal

For Customers: A structured, three-level grievance mechanism ensures timely resolution:

1. Branch Level: Customers can approach branch managers or contact customer service at 1800 3000 8425/8880549911 or write it to us at loanfirst@homefirstindia.com. for resolution within 7 working days.
2. Escalation to Central Team: Aggrieved customer not satisfied with the reply provided by the Branch Manager or concerns unresolved at Level 1 the customer can escalate it to the Central Customer Service Team at the following email address query@homefirstindia.com. The complaints are addressed by the Central Customer Service Team within 15 working days.
3. Grievance Redressal Officer: If the aggrieved customer is not satisfied with the reply provided by the Central Customer Service Team or in case no reply is received within the stipulated period, the Customer shall escalate its complaint with the Grievance Redressal Officer. Final escalation to the Grievance Redressal Officer, resolved within 30 working days.

For Employees: An open-door culture allows employees to address concerns directly with senior management. A dedicated grievance mechanism and whistleblower policy ensure accountability.

Grievance Redressal Mechanism

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

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 and the policy are uploaded on our website for a wider audience.

Directors' Report

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

Level-1
You can contact the nearest physical branch OR alternatively can call at 180030008425/8880549911 OR write to us at loanfirst@homefirstindia.com for any queries/ complaints. Our Branch Managerwould reply within 7 working days from the date of receipt of the complaint with a copy to RegionalManager & Customer Service Department at Corporate office

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

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://www.nhb.org.in/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 Insurance related complaints:
Step 1
Customer can raise their queries by writing to:

- **Central Customer Service Team:**
  Address: 511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, or
- **Call on Toll Free Number: 180030008425, or**
- **Email at: loanfirst@homefirstindia.com or**

Directors' Report

Customer can even approach the nearest branch of the Company. (The letters/emails received by the branch to be sent to Central Customer Service Team – Head Office on an immediate basis. The customer will receive an acknowledgement within 2 days).

Step 2
If the resolution received by the customer does not meet the expectation or has not received any response within 7 days from the date of raising the query, the Customer can escalate the query with the Principal Officer/Central Customer Service Team at query@homefirstindia.com.

Step 3
If the customer is still not satisfied with the resolution received, he/she can to write to our Grievance Redressal Officer, Mr. Gaurav Mohta at complaints@homefirstindia.com. The 14 days TAT will be considered from the date of receiving the complaint on complaints id.

Step 4
If customer is not satisfied with the reply provided by Grievance Redressal Officer too, then he/she can write to the concerned insurance companies' Grievance Redressal Officers (GRO). Click here for direct URL/link to access the GRO details.

Step 5
In-case customer's complaint remains unresolved by the insurer/the Company at any point of time he/she can:

- Register the complaint online at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/, or
- Call at IRDAI Grievance Call Centre (BIMA BHAROSA SHIKAYAT NIVARAN KENDRA): Toll Free Number 155255 or 18004254732, or Email to complaints@irdai.gov.in,or
- Write to Insurance Regulatory and Development Authority of India, Consumer Affairs Department - Grievance Redressal Cell, Sy No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032.

Step 6
In rare cases, if the customer's complaint still remains unresolved, then he/she may take up the matter to the Insurance Ombudsman,

- Online: https://cioins.co.in/Complaint/Online or
- Offline: a) using email, b) via post or c) walk-in to Insurance Ombudsman Office. For details: https://www.cioins.co.in/Ombudsman

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 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

Directors' Report

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

"SEBI Complaints Redress System"
https://scores.gov.in
https:/smartodr.in/login
Kfin Technologies Limited (Share Transfer & Registrar Agent)
(formerly known as KFin Technologies Private Limited)
Selenium Tower-B Plot 31 & 32,
Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032
Telangana, India
Email: einward.ris@kfintech.com

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.

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

Not applicable

	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	-	-
Directly from within India	-	-

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY25 (Current Financial Year)	FY24 (Previous Financial Year)
Rural	-	-
Semi-urban	-	-
Urban	0.9%	0.8%
Metropolitan	99.1%	99.2%

Note: Place categorization is as per RBI Classification System (based on 2011 census- rural / semi-urban / urban / metropolitan

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

Directors' Report

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?

   As a housing finance company focused on providing affordable housing finance to Economically Weaker Sections and Lower Income groups, our primary inputs revolve around financial resources and talent. Given the nature of our business, we predominantly deal in financial instruments rather than tangible raw materials.

   On the Business Sourcing front:

   Through our connector channel, the company has tie-ups with small businesses and local individuals in the construction eco-system etc. for generating leads, which contribute to more than 75% of the overall lead sourcing for the company.

   On the Vendors front:

   We have a procurement approach that prioritizes inclusivity and economic empowerment. On the vendors front, we actively encourage sourcing goods and services from Micro, Small and Medium Enterprises (MSMEs), recognizing their vital role in promoting entrepreneurship and supporting marginalized and vulnerable groups. Our procurement efforts aim to strengthen local and community-based enterprises. In FY25, approximately 18% of our vendor payments (by value) comprised of MSMEs, reflecting our commitment to inclusive growth and equitable business practices.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not available

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
-	-	-	-	-

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not applicable

Name of authority	Brief of the Case	Corrective action taken
-	-	-

Directors' Report

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 6500+ families of migrant factory workers at Narol & Naroda, Ahmedabad	17,149	100%
2	Sashakt Skilling Center- Catering to vocation skilling courses like Self Employed Tailoring, Beauty Therapist, GST with Tally, etc	2,745	100%
3	School Development Projects: Education: Established 10 Sashakt Science Labs to impart STEM education to 10000+ beneficiaries Healthcare and Preventive Healthcare: Heath awareness camps and construction of Toilets in schools Sustainability: Waste Management System across 6 schools, Water Cooler Installation in 5 schools, Water Harvesting system in one school and 10,000+ Seed ball making in one school	34,055	100%
4	Narol & Naroda - Financial Literacy	7,036	100%
5	**Mahila Shram Shakti Kendra**		
	Social Security	3,085	100%
	Health and Nutrition	3,936	100%
	Legal Aid and Education	1,899	100%
	Skill Training	794	100%
	Gender Sensitization	233	100%
6	Simply Social - Employee Driven CSR	275	100%
7	Installation of Solar Pumps and Drip Irrigation for marginal farmers	11	100%

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. Please refer question 3 of Principle 8 on page no. 310 for escalation matrix.

2. Turnover of products/ 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:

	FY25 (Current Financial Year)		Remarks	FY24 (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						

Directors' Report

4. Details of instances of product recalls on account of safety issues:

Not applicable

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has board approved Information Technology Policy, Information Security Policy, Cyber Security Policy- these are available to internal stakeholders. These policy covers cyber security and risks related to data privacy. The Company also has Privacy Policy hosted on the website. Link: Homefirst Privacy Policy- https://homefirstindia.com/privacy/. During the year the company also adopted a detailed and focussed Internal data privacy policy for enhanced data security.

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.

7. Provided the following information relating to branches:

a. Number of instances of data breaches
b. Percentage of data breaches involving personally identifiable information of customers
c. Impact, if any, of the data breaches

There were no instances of data breach during the year.

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: Homefirst

Further, we have marketing collaterals for communication and social media handles. We also had come up with Homefirst gyaan series (a customer education series on YouTube) 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 – 82 on an average for the FY25 (vs 79 in FY24). 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 is carried out during the customer's visit to the branch.

Directors' Report

We have a Customer Portal App with wide variety of customer-friendly features such as making payment from the App, raising service requests, locating nearby branches, etc. As of 31st Mar,'25, 96.1% Customers were registered on the App with Average time spent by user on the app per session being 1m and 39 seconds and App rating was 4.3 (As on 16th May'25) vs 4.1 (As on 06 May'24).

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.**

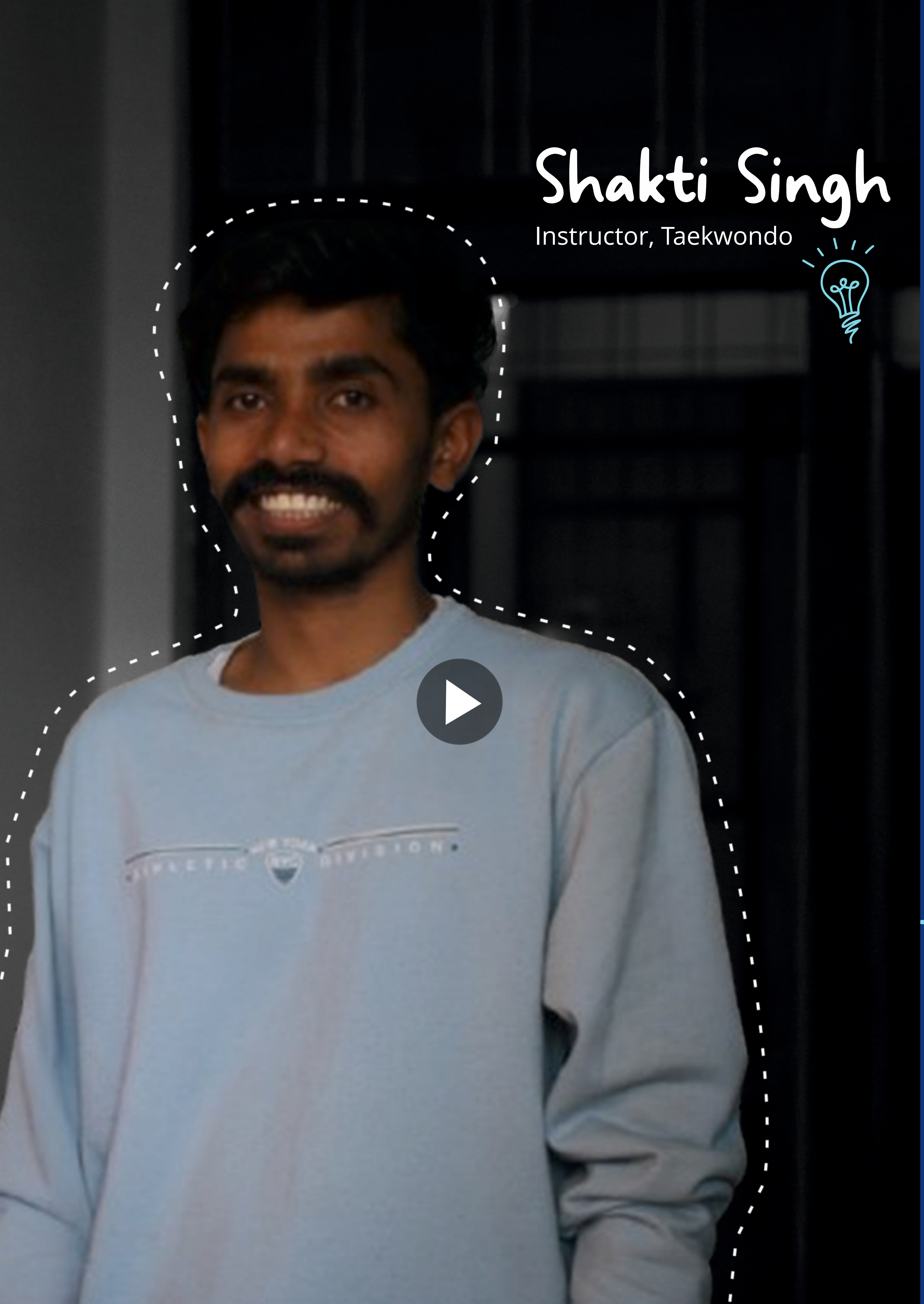
SMS Intimation is sent to the customers to inform them about any disruption/discontinuation of essential services. Our Customer App and Website also ensured that the customer service. continues without any hiccup. Throughout FY25, there was no disruption reported in customer services from the website and customer portal

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 the Key Fact Statements (KFS), Most Important Terms and Conditions (MITC) and 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. Customer satisfaction is measured on an ongoing basis and we capture Net Promoter Scores as a measure of customer satisfaction. We also disclose the net promoter scores in our quarterly investor presentation.



Shakti Singh

Instructor, Taekwondo

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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 financial statements of Home First Finance Company India Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were 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 these matters.

Impairment loss allowance on loans

Refer to the accounting policies in "Note 1.2(iii) to the financial statements: Impairment of financial assets", "Note 1.3 Financial instruments: Impairment of financial assets", Note 5 to the financial statements: Loans and Note 28 to the financial statements: Impairment on financial instruments.

The Key Audit Matter	How the matter was addressed in our audit
Impairment loss allowance on loans of ₹ 820.98 million as at 31 March 2025 Charge to the statement of profit and loss - ₹ 284.12 million for the year ended 31 March 2025 Recognition and measurement of impairment of loans involve significant judgements made by the Company. Under Ind AS 109, Financial Instruments, impairment loss allowance is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Company's estimation of ECL are:	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: **Testing of design, implementation and operating effectiveness of controls:** Performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. Tested the relevant manual, general IT and application controls over key systems used in the ECL computation process. Key aspects of our controls testing involved the following:

Auditors' Report

The Key Audit Matter	How the matter was addressed in our audit
a) Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data used to create assumptions in the model. **b) Model estimations -** Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ('PD') and Loss Given Default ('LGD'). The PD and the LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. **c) Economic scenarios -** Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant judgement is applied in determining the economic scenarios and the probability weights applied to them. **d) Post model adjustments and additional provisions -** Adjustments to the model-driven ECL results as additional provisions are recorded by the Company to address risks not captured by models for specific exposures. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are important in explaining the key judgements and key inputs to the Ind AS 109 ECL results. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance on the financial statements, we have considered this as a key audit matter	• Tested the design, implementation and operating effectiveness of the controls over the completeness and accuracy of the key data inputs and assumptions into the Ind AS 109 impairment models. • Tested governance controls over evaluation, implementation and model monitoring in line with the guidelines issued by Reserve Bank of India ('RBI'). • Tested the design, implementation and operating effectiveness of the key controls over the application of the staging criteria. • Testing of key controls over measurement of ECL and disclosures in the financial statements. • Tested key controls relating to selection and consideration of key macro-economic variables and the controls over the application of probability weights. • Tested key controls operating over the information used in the computation of ECL. • Tested controls over authorisation and computation of post model adjustments and additional provisions. **Test of Details:** Key aspects of our testing included: • Assessed the Company's rationale for determination of criteria for significant increase in credit risk. • Tested samples over key data inputs and assumptions impacting ECL computation to assess the completeness, accuracy and relevance of data, economic forecasts, probability weights and model assumptions applied. • Tested computation of model-driven ECL through re-performance on a sample basis • Tested samples over data used for assessing the judgments made in respect of methodologies, segmentation, determination of exposure at default. • Tested details of post model adjustments considering the size and complexity of additional provisions recorded by the Company. • Assessed the adjustments made by the Company by challenging key assumptions, methodology and tracing sample of the data used back to source data. • Assessed the factual accuracy of the financial statements disclosures made by the Company.

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The Key Audit Matter	How the matter was addressed in our audit
	Involvement of specialists: We involved financial risk modelling specialists for the following: • Evaluating the Company's Ind AS 109 impairment methodologies and assumptions used. • Evaluating the relevance of inputs used in the model for computation of ECL.

Information Technology ('IT') systems and controls related to financial reporting

The Key Audit Matter	How the matter was addressed in our audit
The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in these systems. There exists a risk in the IT control environment which could result in the financial accounting and reporting records being misstated. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation and the complexity of the IT architecture. Further, it impacts overall financial reporting process and the regulatory expectation on automation.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient audit evidence for scoped in applications by involving our IT specialist: • Evaluated and tested the design, implementation and operating effectiveness of the IT application automated controls as relevant for our audit of the financial statements and financial reporting process of the Company. • Evaluated and tested the design, implementation and operating effectiveness of key General IT Controls of the in-scope IT systems. This included controls on access management, change management and computer operations. • Tested the design, implementation and operating effectiveness of key controls over user access management. This included access authentication through password configuration management, granting or modification of user access, creating new users, deactivating user access for exiting users, user access and privileged access examination basis their role and function. • Tested the controls over changes to applications including access to configure changes, approvals required to deploy the changes, segregation of environment and segregation of duties in change management. Based on procedures performed above, wherever required, we extended our audit procedures over other IT application automated controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.

Auditors' Report

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 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

Auditors' Report

on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. The financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor who had expressed an unmodified opinion on 8 May 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the 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 as on 1 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in

Auditors' Report

terms of Section 164(2) of the Act.

f. The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 46 (iii) to the financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d.(i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55(a) to the financial statements, no funds 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.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55(b) to the financial statements, no funds 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 (vii) 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 declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the respective softwares:

(i) The feature of recording audit trail (edit log) facility was not enabled at the database level for the accounting software used for maintaining general ledger to log any direct data changes.

(ii) In the absence of sufficient and appropriate

Auditors' Report

reporting on compliance with the audit trail requirements in the independent auditor's report of a third party operated service organisation from 1 April 2024 to 31 October 2024 and in absence of an independent auditor's report from 1 November 2024 to 31 March 2025 in relation to controls on audit trail at the said service organization, for the accounting software used for maintaining the books of account relating to loan origination and loan management, we are unable to comment whether audit trail feature for the said accounting software was enabled and operated from 1 April 2024 to 31 March 2025 for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail in respect of the previous year has been preserved by the Company as per the statutory requirements for record retention except for the instances mentioned below:

(a) In case of accounting software used for maintaining general ledger, the audit trail is not preserved for the database level; and

(b) In case of accounting software used for maintaining the books of account relating to loan origination and loan management, we are unable to comment whether the audit trail has been preserved by the Company for the reasons explained in 2Bf(ii) above.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
Membership No. 109503
ICAI UDIN:25109503BMOQBE4292

Place: Mumbai
Date: 01 May 2025

Auditors' Report

Annexure A to the Independent Auditor's Report on the Financial Statements of Home First Finance Company India Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company is a service company, primarily rendering financial services by providing loans towards affordable housing segment in India. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Auditors' Report

Quarter ended on	Name of bank	Particulars	Amount as per books of account (A) (₹in million)	Amount as reported in the quarterly return/ statement (B) (₹in million)	Amount of difference (A-B) (₹in million)	Whether return/ statement subsequently rectified	Remarks*
30 June 2024	All banks	Product wise Loans & Advances	88,649.23	88,726.50	(77.27)	Yes	Original returns were submitted on the basis of provisional numbers
31 December 2024	All banks	Product wise Loans & Advances	101,234.90	101,343.10	(108.20)	Yes	
31 March 2025	All banks	Product wise Loans & Advances	107,120.50	107,042.62	(77.28)	Yes	
31 March 2025	All banks	Total Bank, NHB and NCD Borrowings	9,552.44	9,564.96	(12.52)	Yes	Difference due to post-closing entries relating to repayments made

*As at each quarter end during FY 2024-25, amount outstanding towards working capital facility was nil.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted advances in the nature of loans or provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, granted loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and the terms and conditions of the grant of loans during the year are not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee or security or advances in the nature of loans to companies, firms, limited liability partnership, or other parties during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Auditors' Report

Count of loans	Amount (₹ in million)	Due Date	Extent of delay#	Remarks, if any
2,960	1,651.13	Various due dates	1 to 30 days	-
2,022	1,201.76	Various due dates	31 to 60 days	-
771	470.98	Various due dates	61 to 90 days	-
2,832	1,656.16	Various due dates	91 days and above	-

Extent of delay is based on days past due status of loans as on 31 March 2025.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given except an amount of ₹1,448.40 million (principal amount) and ₹207.76 million (interest) overdue for more than ninety days as at 31 March 2025. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 (the "Act"). In respect of the loans given and investments made by the Company, in our opinion, the provisions of Section 186 (1) of the Act have been complied with. The remaining provisions related to section 186 of the Act do not apply to the Company as it is a Housing Finance Company registered with the National Housing Bank ('NHB').

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, 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 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-Tax or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of profession tax.

Auditors' Report

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Income-Tax, or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Goods and Services Tax Act, 2017	Goods and Services Tax (Gujarat)	1.07	Financial year ended 31 March 2019	Appellate Authority	None
The Goods and Services Tax Act, 2017	Goods and Services Tax (Karnataka)	1.00	Financial year ended 31 March 2021 and 31 March 2022	Appellate Authority	None
The Goods and Services Tax Act, 2017	Goods and Services Tax (Tamil Nadu)	0.48	Financial year ended 31 March 2020	Appellate Authority	None
The Goods and Services Tax Act, 2017	Goods and Services Tax (Tamil Nadu)	1.38	Financial year ended 31 March 2021	Appellate Authority	None

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation were invested in liquid assets.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

Auditors' Report

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that management identified two instances, wherein in the first instance, two employees of the Company had sanctioned loans to customers by misrepresenting the information on the underlying properties and impersonating the seller and in the second instance, the customer availed loan through fabrication of the property documents, the total amount involved in both the instance being ₹25.13 million. Post investigation, the Company has written off these loans in the books of account as at 31 March 2025.

(b) A report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi)(a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under Master Direction - Exemptions from the provisions of RBI Act, 1934 dated 25 August 2016 (as amended). Accordingly, reporting under clause 3(xvi) (a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of

Auditors' Report

clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 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)(a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
Membership No. 109503
ICAI UDIN:25109503BMOQBE4292

Place: Mumbai
Date: 01 May 2025

Auditors' Report

Annexure B to the Independent Auditor's Report on the financial statements of Home First Finance Company India Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Home First Finance Company India Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls 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").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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 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 Standards on Auditing, prescribed under Section 143(10) of the Act, 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 were 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 controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

Auditors' Report

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
Membership No. 109503
ICAI UDIN:25109503BMOQBE4292

Place: Mumbai
Date: 01 May 2025

Annual Accounts

Balance Sheet as at 31 March 2025

(₹ in million)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	2	5,991.28	5,804.77
Bank balance other than cash and cash equivalents	3	3,391.09	2,410.32
Receivables	4		
Trade receivables		55.49	-
Other receivables		2.86	7.66
Loans	5	1,06,487.00	81,434.38
Investments	6	3,602.37	3,788.13
Other financial assets	7	1,823.48	1,433.04
Total financial assets		**1,21,353.57**	**94,878.30**
Non-financial assets			
Current tax assets (net)	8	2.78	2.78
Deferred tax assets (net)	31.2	-	31.25
Property, plant and equipment	9	169.49	141.72
Right of use assets	9	277.56	156.44
Capital work-in-progress	10	0.93	-
Intangible assets under development	11	1.37	1.81
Other intangible assets	9	11.79	2.14
Other non-financial assets	12	299.23	125.12
Total non-financial assets		**763.15**	**461.26**
Total Assets		**1,22,116.72**	**95,339.56**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	13	66.87	3.44
Payables			
Trade payables	14		
- Total outstanding dues of micro enterprises and small enterprises		2.29	0.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises		158.57	114.54
Debt securities	15	2,848.39	2,775.28
Borrowings (other than debt securities)	16	92,658.60	70,245.74
Other financial liabilities	17	804.20	788.51
Total financial liabilities		**96,538.92**	**73,927.82**
Non-financial liabilities			
Current tax liabilities (net)	8.1	84.62	39.95
Provisions	18	93.92	73.84
Deferred tax liabilities (net)	31.2	23.75	-
Other non-financial liabilities	19	162.69	83.10
Total non-financial liabilities		**364.98**	**196.89**
Total liabilities		**96,903.90**	**74,124.71**
Equity			
Equity share capital	20	180.11	177.03
Other equity	21	25,032.71	21,037.82
Total equity		**25,212.82**	**21,214.85**
Total Liabilities and Equity		**1,22,116.72**	**95,339.56**

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503
Place: Mumbai
Date: 01 May 2025

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director & Chief Executive Officer
DIN No.: 01741612
Place: Mumbai
Date: 01 May 2025

Divya Sehgal
Director
DIN No.: 01775308
Place: Mumbai
Date: 01 May 2025

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 01 May 2025

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 01 May 2025

Annual Accounts

Statement of profit and loss for the year ended 31 March 2025

(₹ in million, except per share data)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations			
Interest income	22	13,540.30	10,276.90
Fees and commission income	23	452.99	99.33
Net gain on fair value changes	24	351.05	321.30
Net gain on derecognition of financial instruments under amortised cost category		912.26	631.08
Other operating income	25	42.87	45.85
Total revenue from operations		**15,299.47**	**11,374.46**
Other income	26	92.56	190.99
Total income		**15,392.03**	**11,565.45**
Expenses			
Finance costs	27	7,152.70	4,998.62
Impairment on financial instruments	28	287.68	254.32
Employee benefits expense	29	1,944.09	1,483.44
Depreciation and amortisation	9	155.30	117.29
Other expenses	30	836.38	712.18
Total expenses		**10,376.15**	**7,565.85**
Profit before tax		**5,015.88**	**3,999.60**
Tax expense:			
- Current tax	31	1,138.98	944.59
- Deferred tax	31	56.22	(2.16)
Total tax expense		**1,195.20**	**942.43**
Profit after tax		**3,820.68**	**3,057.17**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(4.83)	(3.06)
- Income tax relating to items that will not be reclassified to profit or loss		1.22	0.77
Other comprehensive income		**(3.61)**	**(2.29)**
Total comprehensive income		**3,817.07**	**3,054.88**
Earnings per equity share	32		
Basic earnings per share (₹)		42.83	34.65
Diluted earnings per share (₹)		42.07	33.67
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 B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503
Place: Mumbai
Date: 01 May 2025

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No.: 01741612
Place: Mumbai
Date: 01 May 2025

Divya Sehgal
Director
DIN No.: 01775308
Place: Mumbai
Date: 01 May 2025

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 01 May 2025

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 01 May 2025

Annual Accounts

Statement of changes in equity for the year ended 31 March 2025

Equity share capital (Refer note 20)

(₹ in million)

Particulars	No. of shares	Amount
Balance as at 01 April 2023	**8,80,16,767**	**176.03**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 01 April 2023	**8,80,16,767**	**176.03**
Changes in equity share capital during the year	4,99,400	1.00
Balance as at 01 April 2024	**8,85,16,167**	**177.03**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 01 April 2024	**8,85,16,167**	**177.03**
Changes in equity share capital during the year	15,39,373	3.08
Balance as at 31 March 2025	**9,00,55,540**	**180.11**

Other equity (Refer note 21)

(₹ in million)

Particulars	Reserves and surplus					Other Comprehensive Income	Total Other Equity
	Statutory reserve	Securities premium	Stock options outstanding account	Retained earnings	Remeasurements of defined benefit plans	Cash flow hedge reserve	
Balance as at 01 April 2023	**1,375.94**	**11,055.39**	**239.89**	**5,336.60**	**(10.46)**	**-**	**17,997.36**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated Balance as at 01 April 2023	**1,375.94**	**11,055.39**	**239.89**	**5,336.60**	**(10.46)**	**-**	**17,997.36**
Profit for the year	-	-	-	3,057.17	-	-	3,057.17
Other comprehensive income for the year	-	-	-	-	(2.29)	-	(2.29)
Expenses on employee stock options scheme for the year	-	-	163.68	-	-	-	163.68
Transfer to statutory reserves from retained earnings (Refer note 63)	615.00	-	-	(615.00)	-	-	-
Premium on issue of share capital	-	50.93	-	-	-	-	50.93
Exercise of stock options outstanding	-	10.39	(10.39)	-	-	-	-
Stock options lapsed	-	-	(3.14)	3.14	-	-	-
Dividends	-	-	-	(229.03)	-	-	(229.03)
Balance as at 31 March 2024	**1,990.94**	**11,116.71**	**390.04**	**7,552.88**	**(12.75)**	**-**	**21,037.82**
Balance as at 01 April 2024	**1,990.94**	**11,116.71**	**390.04**	**7,552.88**	**(12.75)**	**-**	**21,037.82**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated Balance as at 01 April 2024	**1,990.94**	**11,116.71**	**390.04**	**7,552.88**	**(12.75)**	**-**	**21,037.82**
Profit for the year	-	-	-	3,820.68	-	-	3,820.68
Other comprehensive income for the year	-	-	-	-	(3.61)	(44.98)	(48.59)
Expenses on employee stock options scheme for the year	-	-	266.78	-	-	-	266.78
Transfer to statutory reserves from retained earnings (Refer note 63)	768.00	-	-	(768.00)	-	-	-
Premium on issue of share capital	-	257.32	-	-	-	-	257.32
Exercise of stock options outstanding	-	76.29	(76.29)	-	-	-	-
Stock options lapsed	-	-	(5.36)	5.36	-	-	-
Dividends	-	-	-	(301.30)	-	-	(301.30)
Balance as at 31 March 2025	**2,758.94**	**11,450.32**	**575.17**	**10,309.62**	**(16.36)**	**(44.98)**	**25,032.71**

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 B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503
Place: Mumbai
Date: 01 May 2025

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No.: 01741612
Place: Mumbai
Date: 01 May 2025

Divya Sehgal
Director
DIN No.: 01775308
Place: Mumbai
Date: 01 May 2025

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 01 May 2025

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 01 May 2025

Annual Accounts

Statement of cash flows for the year ended 31 March 2025

(₹ in million)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash flows from operating activities		
Profit before tax	5,015.88	3,999.60
Adjusted for:		
Interest income on term loans	(12,801.59)	(9,696.14)
Interest on borrowings and debt securities	7,100.33	4,964.33
Net gain on derecognition of financial instruments under amortised cost category	(912.26)	(631.08)
Other interest income	(226.71)	(235.91)
Depreciation and amortisation	155.30	117.29
Interest income on bank deposits	(357.66)	(204.46)
Interest income on investments	(152.27)	(138.84)
Loss on sale of property, plant and equipment (net)	0.05	2.31
Interest on lease liabilities	18.97	12.01
Gain on termination of lease liabilities	(0.74)	(0.35)
Net gain on investments	(400.77)	(324.74)
Unrealised loss on derivative financial instruments	50.02	3.44
Unrealised foreign exchange (gain)/ loss on borrowings	(48.70)	3.34
Impairment on financial instruments	287.68	254.32
Expenses on employee stock options scheme	266.78	163.68
Operating profit before working capital changes and adjustment for interest received and paid	**(2,005.69)**	**(1,711.20)**
Adjustment for working capital:		
- (Increase) in loans given	(25,151.89)	(21,612.56)
- (Increase) in trade and other receivables	(50.69)	(4.69)
- (Increase)/ Decrease in other financial assets	(9.41)	17.49
- (Increase) in other non financial assets	(78.89)	(32.98)
- Increase/ (Decrease) in trade payables	46.01	(34.28)
- Increase in other financial liabilities	78.14	65.93
- Increase/ (Decrease) in other non financial liabilities	76.75	(23.28)
- Increase in provisions	10.49	9.40
Cash used in operating activities before adjustment for interest received and paid	**(27,085.18)**	**(23,326.17)**
- Interest income received	13,371.91	10,238.91
- Interest expense paid	(7,175.82)	(5,088.60)
Cash used in operating activities	**(20,889.09)**	**(18,175.86)**
Income tax paid (net)	(1,094.31)	(900.98)
Net cash used in operating activities [A]	**(21,983.40)**	**(19,076.84)**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(119.29)	(79.96)
Proceeds from sale of property, plant and equipment and other intangible assets	1.48	0.11
Purchase of investments	(79,529.68)	(60,380.25)
Proceeds from redemption/ sale of investments	80,124.31	59,746.92
Net placement of bank deposits	(970.23)	(1,763.88)
Interest received on bank deposits	347.12	186.47
Interest received on investments	144.17	116.77
Net cash used in investing activities [B]	**(2.12)**	**(2,173.82)**

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Statement of cash flows for the year ended 31 March 2025

(₹ in million)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash flows from financing activities		
Proceeds from issuance of share capital (including share premium)	260.40	51.93
Proceeds from borrowings from banks and financial institutions	41,088.95	39,000.00
Repayment of borrowings from banks and financial institutions	(18,724.16)	(13,409.97)
Repayment of lease liabilities	(93.96)	(71.19)
Repayment of debt securities	-	(700.00)
(Repayment of)/ Proceeds from demand loans	(57.97)	57.97
Dividend paid on equity shares	(301.23)	(228.96)
Net cash generated from financing activities [C]	**22,172.03**	**24,699.78**
Net increase in cash and cash equivalents [A+B+C]	**186.51**	**3,449.12**
Cash and cash equivalents at the beginning of the year	5,804.77	2,355.65
Cash and cash equivalents at the end of the year	**5,991.28**	**5,804.77**
Components of cash and cash equivalents (Refer note 2):		
Cash on hand	1.66	0.50
Balances with banks		
- in current accounts	3,328.83	2,109.98
- in deposits with original maturity of 3 months or less	2,660.51	3,694.29
Others	0.28	-
Cash and cash equivalents	**5,991.28**	**5,804.77**

Changes in liabilities arising from financing activities*

(₹ in million)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance (Debt securities and Borrowings (other than debt securities))	73,021.02	48,134.73
Proceeds from borrowings (other than debt securities)	41,088.95	39,000.00
Repayments of borrowings (other than debt securities)	(18,724.16)	(13,409.97)
Repayments of debt securities	-	(700.00)
(Repayment of)/ Proceeds from loans repayable on demand	(57.97)	57.97
Interest accrued but not due on debt securities and borrowings (other than debt securities)	262.58	-
Other changes on account of changes in foreign exchange revaluation and unamortised transaction costs	(83.43)	(61.71)
Closing balance (Debt securities and Borrowings (other than debt securities))	**95,506.99**	**73,021.02**

*Refer note 42 for changes in lease liabilities

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 B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503
Place: Mumbai
Date: 01 May 2025

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No.: 01741612
Place: Mumbai
Date: 01 May 2025

Divya Sehgal
Director
DIN No.: 01775308
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Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 01 May 2025

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 01 May 2025

Annual Accounts

Notes forming part of the financial statements

Corporate 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 located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company is a Housing Finance Company (“HFC”) and obtained its license to carry on the business of a housing finance institution, holding a Certificate of Registration from the National Housing Bank (“NHB”) dated 11 August 2010. The Company has been classified as Middle Layer Non-Banking Financial Company (“NBFC-ML”) by the Reserve Bank of India (“RBI”), as per Scale Based Regulations issued by the RBI. 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's main business is financing by way of loans towards affordable housing segment in India and is primarily engaged in the business of lending of housing loans, loans for the purpose of purchasing a commercial property and loan against property.

1. Material accounting policy information

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, as amended from time to time. Material accounting policy information has been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the material accounting policy information hitherto in use. The financial statements were authorised for issue by the Board of Directors on 01 May 2025.

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. The financial statements are prepared and presented on going concern basis.

Functional and presentation currency

Amounts in the financial statements are presented in Indian Rupees, which is also the Company's functional currency and all amounts have been 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, refer note 35 for disclosure of financial instruments 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'.

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Notes forming part of the financial statements

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 at the measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities that the Company can access at the measurement date.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.2 Use of estimates and judgements

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 income and expenses during the years presented, and the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and application of accounting policies at the presented reporting dates. 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. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

This note provides an overview of the material accounting estimates and judgements that are used in various line items in the financial statements.

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 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.

ased 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) Lease term

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to

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Notes forming part of the financial statements

exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

iii) 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 significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL model, including the calculation of Probability of Defaults (PDs), Loss Given Default (LGD).
- Assessment of qualitative factors having an impact on the credit risk.
- Selection of forward-looking macroeconomic scenarios and their probability weightings.

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. For certain specific cases, the Company does an individual borrower level analysis in respect of cashflows and expected losses and determines the appropriate level of impairment losses.

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 5 and 37).

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) Taxes

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses un-recognised deferred tax assets. It recognises un-recognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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. Trade receivables are measured at transaction price.

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Notes forming part of the financial statements

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as FVTOCI – equity investment). This election is made an investment-by-investment basis. All financial assets not classified and measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Subsequent measurement

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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.

These financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on de-recognition is recognised in the statement of profit and loss.

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).

Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. The classification and measurement requirements of the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. 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 2025 and 31 March 2024.

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 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

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Notes forming part of the financial statements

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. For certain specific cases, the Company does an individual borrower level analysis in respect of cashflows and expected losses and determines the appropriate level of impairment losses.

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 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 5

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements. The Company provides ECL on undisbursed loan commitments classified under Stage 1.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised only when

- the contractual rights to the cash flows from the financial asset expire, 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, or
- the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of ownership of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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Notes forming part of the financial statements

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Any cumulative gain/ loss recognised in OCI in respect of equity investment securities designated as at FVTOCI is not recognised in statement of profit and loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

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 in accordance with the Company's policies 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 derecognition 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 to mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI"). In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change of counterparty, the extent of change in interest rates, maturity, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR.

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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 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.

Co-lending

The Company originates certain loans specifically for co-lending arrangements with banks. Recognition and derecognition principles of loans, impairment and revenue recognition policies on the retained portion of the loan are similar to those stated in para 1.3 and 1.5.

ii) Financial liability and Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

a. Financial liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at FVTPL.

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.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense is recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

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.

Derivative financial instruments

The Company enters in to derivative financial instruments such as foreign exchange forward contracts, cross currency interest rate swaps, to hedge its foreign currency and interest rate exposures.

Derivative contracts are initially recognised at fair value at the date a derivative contract is entered in to and are subsequently remeasured at fair value at each Balance sheet date and the resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss or Other Comprehensive Income depends on the nature of hedging relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges) for its exposure towards fluctuations in currency risk and designates derivatives as hedges of the forecasted cash flows for its exposure towards interest rate volatility. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company employs hedge accounting to manage interest rate and foreign currency risks using derivative instruments. Hedge accounting is applied to transactions that meet specific criteria, with formal documentation and designation of derivative contracts into hedging relationships. This documentation includes the Company's risk management objectives, strategies, the nature of the hedged risks, the hedged items or transactions, the hedge ratio, and the method for assessing the effectiveness of the hedges.

Hedges are expected to be highly effective in offsetting changes in cash flows and foreign currency fluctuations. Their effectiveness is assessed continuously throughout the financial reporting periods for which they are designated. Hedges meeting the criteria for hedge accounting are accounted for accordingly.

Cash Flow Hedge

A cash flow hedge mitigates the exposure to variability in cash flows attributable to specific risks associated with recognised assets, liabilities, or forecasted transactions that could impact the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised in other comprehensive income (OCI) as a cash flow hedge reserve. The ineffective portion is recognised immediately in the statement of profit and loss as a finance cost.

When the hedged cash flow impacts the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line. Upon the maturity or termination of the hedging instrument, any cumulative gain or loss recognised in OCI, remains in OCI until the forecasted transaction affects the statement of profit and loss. If the forecasted transaction is no longer expected to occur, the cumulative gain or loss in OCI is immediately transferred to the statement of profit and loss.

Fair Value Hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability that is attributable to foreign currency fluctuation risk.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in the same line in which the changes in fair value of hedged item are recorded in the statement of profit and loss. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet.

The Company classifies a fair value hedging relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by a hedging instrument. Upon the maturity or termination of the hedging instrument, the hedging relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met.

Assessment of Economic Offset

Economic Offset is the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument. Economic Offset is measured using Critical Terms Match. When the critical terms (such as the nominal amount, maturity, underlying currency, rate of interest, etc.) of the hedging instrument and the hedged item match or are closely aligned, the Company concludes that an economic relationship exists between the hedged item and the hedging instrument on the basis

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of a qualitative assessment of those critical terms that the hedging instrument and the hedged item have values that will generally move in the opposite direction.

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.

b. Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. No gain/ loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.4 Property, plant and equipment, other intangible assets

Property, plant and equipment and other intangible assets are stated at acquisition cost less accumulated depreciation, amortisation and impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for owned assets, for leased assets the same are borne by the lessee as per the lease agreement. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The acquisition cost includes any cost attributable to bringing the asset to the location and condition such that the asset is capable of operating in the manner of its intended use, net of tax/ duty credits availed. Subsequent expenditure related to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred. 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. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the statement of profit and loss during the year in which such costs are incurred.

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 amortised 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 and other intangible assets for the current period is as follows:

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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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of property, plant and equipment and intangible asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss.

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). The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company. If the financial assets cures and are no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

ii) Fees, commission and other operating income

Fees and commission income includes fees such as login fees, insurance commission income, other charges, other than those that are an integral part of EIR. The Company recognises such fees income and commission income in accordance with the terms of relevant contracts/ agreements with the customers and when it is probable that the Company will collect the consideration.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or

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services to a customer, excluding amounts collected on behalf of third parties.

- Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation. Fees for financial advisory services are accounted as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

iii) Investment income

Investments in units of mutual funds are measured at FVTPL and the gain or loss on sale as well as fair value changes from these investments are presented under net gain on fair value changes in the statement of profit and loss.

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 'Financial instruments', on derecognition 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 Taxation

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to an item that is recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses un-recognised deferred tax assets. It recognises un-recognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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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's weighted average cost of incremental borrowing is used to discount its lease liability.

The Company recognises 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 recognises any remaining amount of the re-measurement in the statement of profit and loss.

Lease liability and ROU asset have been separately presented in the balance sheet.

1.8 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance sheet date at the closing exchange rate are recognised in the statement of profit and loss in the period in which they arise.

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.

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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 fair value less costs of disposal 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 statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ("past service cost" or "past service gain") or the gain or loss on curtailment is recognised immediately in statement of profit and 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 recognised 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 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 40.

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 and 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.

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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 Finance costs

Finance costs include interest expense calculated using the EIR on respective financial instruments and borrowings including foreign currency borrowings measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. 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. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. 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 notifications, introduces new standards or notifies amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015, from time to time. There is no such notification which would have been applicable with effect from 01 April 2025.

Annual Accounts

Notes forming part of the financial statements

(₹ in million)

2 Cash and cash equivalents	**As at 31 March 2025**	**As at 31 March 2024**
Cash on hand	1.66	0.50
Balances with banks in current accounts	3,328.83	2,109.98
Deposits with original maturity of 3 months or less	2,660.51	3,694.29
Others	0.28	-
	5,991.28	**5,804.77**

Note: Refer note 15 and 16(i)

(₹ in million)

3 Bank balance other than cash and cash equivalents	**As at 31 March 2025**	**As at 31 March 2024**
Deposits with original maturity of more than 3 months but less than 12 months*	3,250.95	2,270.25
Deposits with original maturity of more than 12 months*	140.00	140.00
Earmarked balances with banks against unclaimed dividend	0.14	0.07
	3,391.09	**2,410.32**

*Bank deposits include deposits of ₹ 413.04 million (31 March 2024: ₹ 392.82 million) held as security against the bank guarantee provided on behalf of the Company, refer note 16(iv). Bank deposits of ₹ 50.00 million (31 March 2024: ₹ 50.00 million) are held as security against the bank overdraft.

Note: Refer note 15 and 16(i)

(₹ in million)

4 Receivables	**As at 31 March 2025**	**As at 31 March 2024**
Trade Receivables		
Considered good - Unsecured	55.49	-
	55.49	**-**
Other Receivables		
Considered good - Unsecured	2.86	7.66
	2.86	**7.66**

Trade Receivables ageing schedule

(₹ in million)

Particulars	**Outstanding for following periods from due date of payment**					**Total**
	Less than 6 months	**6 months to 1 year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
As at 31 March 2025						
Trade receivables - considered good						
(i) Undisputed	-	-	-	-	-	-
(ii) Disputed	-	-	-	-	-	-
	-	-	-	-	-	-
Amount unbilled						55.49
Amount not due						-
Total						**55.49**
As at 31 March 2024						
Trade receivables - considered good						
(i) Undisputed	-	-	-	-	-	-
(ii) Disputed	-	-	-	-	-	-
	-	-	-	-	-	-
Amount unbilled						-
Amount not due						-
Total						**-**

Annual Accounts

Notes forming part of the financial statements

(₹ in million)

5 Loans	As at 31 March 2025	As at 31 March 2024
Secured		
Loans carried at amortised cost		
Term loans (gross)*	1,07,307.98	82,126.23
Total gross	**1,07,307.98**	**82,126.23**
Less - Impairment loss allowance (Refer note 5.1 (a))	(820.98)	(691.85)
Total term loans (net)	**1,06,487.00**	**81,434.38**

*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 ₹ 337.15 million (31 March 2024: ₹ 245.65 million).

Annual Accounts

Notes forming part of the financial statements

5. Impairment allowance

5.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

(₹ in million)

Home loan	**31 March 2025**				**31 March 2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount								
Opening balance	66,011.26	867.51	1,191.31	**68,070.08**	49,946.45	603.65	895.27	**51,445.37**
New assets originated	35,552.21	144.30	140.03	**35,836.54**	29,300.00	111.63	112.12	**29,523.75**
Assets derecognised or repaid	(15,145.46)	(191.49)	(331.17)	**(15,668.12)**	(12,357.26)	(124.73)	(294.96)	**(12,776.95)**
Amounts written off (Refer note 28)	(42.33)	(15.06)	(94.68)	**(152.07)**	(14.12)	(9.98)	(97.99)	**(122.09)**
Transfers from Stage 1	(1,650.13)	861.14	788.99	-	(1,204.47)	591.11	613.36	-
Transfers from Stage 2	235.52	(436.76)	201.24	-	180.55	(335.86)	155.31	-
Transfers from Stage 3	255.24	54.58	(309.82)	-	160.11	31.69	(191.80)	-
Closing balance	**85,216.31**	**1,284.22**	**1,585.90**	**88,086.43**	**66,011.26**	**867.51**	**1,191.31**	**68,070.08**

(₹ in million)

Home loan	**31 March 2025**				**31 March 2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance								
Opening balance	159.61	84.82	342.14	**586.57**	128.63	65.69	311.62	**505.94**
New assets originated	84.07	101.11	241.98	**427.16**	73.05	57.48	209.39	**339.92**
Assets derecognised or repaid	(129.94)	(22.09)	(42.38)	**(194.41)**	(86.44)	(12.27)	(35.18)	**(133.89)**
Amounts written off	(0.82)	(6.54)	(72.11)	**(79.47)**	(0.31)	(3.55)	(121.54)	**(125.40)**
Transfers from Stage 1	(4.59)	2.19	2.40	-	(5.36)	1.56	3.80	-
Transfers from Stage 2	19.05	(37.92)	18.87	-	16.83	(33.39)	16.56	-
Transfers from Stage 3	58.31	16.25	(74.56)	-	33.21	9.30	(42.51)	-
Closing balance	**185.69**	**137.82**	**416.34**	**739.85**	**159.61**	**84.82**	**342.14**	**586.57**

(₹ in million)

Loan against property	**31 March 2025**				**31 March 2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount								
Opening balance	12,719.78	127.06	126.86	**12,973.70**	8,020.85	85.00	66.37	**8,172.22**
New assets originated	8,675.08	13.42	15.43	**8,703.93**	6,265.72	9.73	9.15	**6,284.60**
Assets derecognised or repaid	(3,700.73)	(31.32)	(33.37)	**(3,765.42)**	(1,435.69)	(22.09)	(23.02)	**(1,480.80)**
Amounts written off (Refer note 28)	(0.08)	-	(0.58)	**(0.66)**	(0.08)	-	(2.24)	**(2.32)**
Transfers from Stage 1	(280.08)	179.70	100.38	-	(172.07)	92.44	79.63	-
Transfers from Stage 2	47.68	(73.65)	25.97	-	29.91	(43.40)	13.49	-
Transfers from Stage 3	33.93	10.06	(43.99)	-	11.14	5.38	(16.52)	-
Closing balance	**17,495.58**	**225.27**	**190.70**	**17,911.55**	**12,719.78**	**127.06**	**126.86**	**12,973.70**

Annual Accounts

Notes forming part of the financial statements

5.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (continued):

(₹ in million)

Loan against property	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	13.58	7.96	21.19	**42.73**	10.68	6.17	16.26	**33.11**
New assets originated	7.18	8.25	19.49	**34.92**	6.65	4.25	15.61	**26.51**
Assets derecognised or repaid	(11.05)	(3.18)	(4.48)	**(18.71)**	(6.12)	(2.27)	(4.13)	**(12.52)**
Amounts written off	-	-	(1.19)	**(1.19)**	-	-	(4.37)	**(4.37)**
Transfers from Stage 1	(0.30)	0.19	0.11	**-**	(0.20)	0.11	0.09	**-**
Transfers from Stage 2	1.85	(3.59)	1.74	**-**	1.40	(2.20)	0.80	**-**
Transfers from Stage 3	4.27	2.06	(6.33)	**-**	1.17	1.90	(3.07)	**-**
Closing balance	**15.53**	**11.69**	**30.53**	**57.75**	**13.58**	**7.96**	**21.19**	**42.73**

(₹ in million)

Commercial loan	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	988.64	18.58	17.69	**1,024.91**	712.74	8.58	12.26	**733.58**
New assets originated	507.58	5.13	6.48	**519.19**	421.58	3.29	0.60	**425.47**
Assets derecognised or repaid	(218.39)	(9.03)	(4.35)	**(231.77)**	(127.39)	(2.34)	(3.33)	**(133.06)**
Amounts written off (Refer note 28)	(1.36)	(0.02)	(0.95)	**(2.33)**	(0.16)	(0.20)	(0.72)	**(1.08)**
Transfers from Stage 1	(29.78)	13.73	16.05	**-**	(21.97)	11.30	10.67	**-**
Transfers from Stage 2	5.55	(9.70)	4.15	**-**	1.28	(3.79)	2.51	**-**
Transfers from Stage 3	7.68	-	(7.68)	**-**	2.56	1.74	(4.30)	**-**
Closing balance	**1,259.92**	**18.69**	**31.39**	**1,310.00**	**988.64**	**18.58**	**17.69**	**1,024.91**

(₹ in million)

Commercial loan	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	9.28	2.17	4.36	**15.81**	6.69	0.58	2.82	**10.09**
New assets originated	5.37	1.69	6.68	**13.74**	4.23	1.36	3.34	**8.93**
Assets derecognised or repaid	(3.73)	(1.14)	(0.46)	**(5.33)**	(1.97)	(0.08)	(0.09)	**(2.14)**
Amounts written off	(0.03)	-	(0.81)	**(0.84)**	(0.01)	(0.07)	(0.99)	**(1.07)**
Transfers from Stage 1	(0.26)	0.12	0.14	**-**	(0.19)	0.09	0.10	**-**
Transfers from Stage 2	0.32	(0.66)	0.34	**-**	0.11	(0.27)	0.16	**-**
Transfers from Stage 3	1.74	-	(1.74)	**-**	0.42	0.56	(0.98)	**-**
Closing balance	**12.69**	**2.18**	**8.51**	**23.38**	**9.28**	**2.17**	**4.36**	**15.81**

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Notes forming part of the financial statements

5.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows (continued):

(₹ in million)

Construction finance	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	-	-	57.54	**57.54**	108.67	61.38	-	**170.05**
New assets originated	-	-	-	**-**	-	-	-	**-**
Assets derecognised or repaid	-	-	(57.54)	**(57.54)**	(86.44)	(5.35)	(20.72)	**(112.51)**
Amounts written off (Refer note 28)	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 1	-	-	-	**-**	(22.23)	-	22.23	**-**
Transfers from Stage 2	-	-	-	**-**	-	(56.03)	56.03	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**57.54**	**57.54**

(₹ in million)

Construction finance	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	-	-	46.74	**46.74**	1.02	14.06	-	**15.08**
New assets originated	-	-	-	**-**	-	-	34.95	**34.95**
Assets derecognised or repaid	-	-	(46.74)	**(46.74)**	(0.81)	(0.81)	(1.67)	**(3.29)**
Amounts written off	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 1	-	-	-	**-**	(0.21)	-	0.21	**-**
Transfers from Stage 2	-	-	-	**-**	-	(13.25)	13.25	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**46.74**	**46.74**

5.1(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 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening balance	11,817.36	25.71	59.29	**11,902.36**	10,123.35	34.89	36.29	**10,194.53**
New assets originated	12,723.24	4.45	4.27	**12,731.96**	10,277.35	5.90	2.82	**10,286.07**
Assets derecognised or repaid	(9,467.72)	(29.23)	(42.82)	**(9,539.77)**	(8,532.49)	(10.84)	(34.91)	**(8,578.24)**
Transfers from Stage 1	(121.82)	60.12	61.70	**-**	(57.04)	22.44	34.60	**-**
Transfers from Stage 2	3.82	(9.72)	5.90	**-**	4.94	(26.68)	21.74	**-**
Transfers from Stage 3	4.56	2.30	(6.86)	**-**	1.25	-	(1.25)	**-**
Closing balance	**14,959.44**	**53.63**	**81.48**	**15,094.55**	**11,817.36**	**25.71**	**59.29**	**11,902.36**

Note: Loan commitments are classified as above based on the staging of the borrower's outstanding loan, if any.

(₹ in million)

Loan commitments	31 March 2025				31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance								
Opening balance	16.94	-	-	**16.94**	15.12	-	-	**15.12**
New assets originated	19.40	-	-	**19.40**	15.28	-	-	**15.28**
Assets derecognised or repaid	(14.64)	-	-	**(14.64)**	(13.46)	-	-	**(13.46)**
Transfers from Stage 1	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Closing balance	**21.70**	**-**	**-**	**21.70**	**16.94**	**-**	**-**	**16.94**

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Notes forming part of the financial statements

5.2 Impairment assessment

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 customer's ability to increase its exposure while approaching default and potential early repayments too.

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 netted off by expenses incurred for recovery, are tracked and discounted to the date of default using the interest rate.

Significant increase in credit risk

The Company continuously monitors all assets subjected 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. The Company also assesses if there has been a significant increase in credit risk by considering qualitative factors for increased risk of default for a financial asset.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis

As explained above, the Company calculates ECL on a collective basis on the following broad 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.

The Company considers qualitative factors and creates additional provisions in relation to specific borrowers over and above the ECL model based on the evaluation of the expected cash flows.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets that are measured at amortised cost. The main types of collateral include residential and commercial properties.

Assets possessed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Loan Portfolio includes gross loans amounting to ₹ 439.43 million (31 March 2024: ₹ 261.33 million), out of which ₹ 20.38 million (31 March 2024: ₹ 21.00 million) pertains to retained portion of loans from the assigned portfolio, 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.

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Notes forming part of the financial statements

(₹ in million)

6 Investments	As at 31 March 2025	As at 31 March 2024
Carried at fair value through profit and loss - Quoted		
Investments in Mutual funds	1,082.12	1,614.08
Carried at amortised cost - Quoted		
Investments in Government Securities*	2,520.25	2,174.05
Total	**3,602.37**	**3,788.13**
Investment in India	3,602.37	3,788.13
Investment outside India	-	-
	3,602.37	**3,788.13**

*The Company has not recognised any provision under expected credit loss on Investments in Government Securities as no risk of default is expected.

(₹ in million)

7 Other financial assets	As at 31 March 2025	As at 31 March 2024
Receivables from assigned portfolio (gross)*	1,732.68	1,348.11
Less: provision for expected credit loss	(16.28)	(17.47)
Receivables from assigned portfolio (net)	1,716.40	1,330.64
Security deposits	37.74	28.95
Salary advance to employees	23.14	21.63
Other deposits	2.19	1.09
Other advances	-	13.19
Other receivables	44.01	37.54
	1,823.48	**1,433.04**

*With respect to assignment deals, the Company has recorded an excess interest strip receivable, with corresponding credit to statement of profit and loss, which has been computed by discounting excess interest spread to present value, in accordance with Ind AS 109 'Financial instruments'.

(₹ in million)

8 Current tax assets (net)	As at 31 March 2025	As at 31 March 2024
Advance tax (net of provision)*	2.78	2.78
	2.78	**2.78**

*Net of nil provision for tax (31 March 2024: Nil).

(₹ in million)

8.1 Current tax liabilities (net)	As at 31 March 2025	As at 31 March 2024
Provision for tax (net of advance tax)*	84.62	39.95
	84.62	**39.95**

*Net of advance tax of ₹ 1,142.23 million (31 March 2024: ₹ 1,181.66 million).

9 Property, plant and equipment and other intangible assets

(₹ in million)

	Property, plant and equipment						Other intangible assets	
	Furniture and fixtures	Office equipment	Computers	Leasehold improve-ments	Right of use assets (Buildings)	Total tangible assets	Computer software	Total other intangible assets
Gross carrying value								
As at 01 April 2023	**69.70**	**30.93**	**70.43**	**93.38**	**221.13**	**485.57**	**24.54**	**24.54**
Additions for the year ended 31 March 2024	7.62	8.24	20.80	43.14	85.09	164.89	0.38	0.38
Sale / deletion for the year ended 31 March 2024	(9.71)	(0.66)	(0.04)	(0.87)	(17.57)	(28.85)	-	-
As at 31 March 2024	**67.61**	**38.51**	**91.19**	**135.65**	**288.65**	**621.61**	**24.92**	**24.92**
Additions for the year ended 31 March 2025	7.51	12.25	17.41	60.07	210.16	307.40	12.31	12.31
Sale / deletion for the year ended 31 March 2025	(2.39)	(0.52)	(13.15)	(0.04)	(22.65)	(38.75)	-	-
As at 31 March 2025	**72.73**	**50.24**	**95.45**	**195.68**	**476.16**	**890.26**	**37.23**	**37.23**
Accumulated depreciation / amortisation								
As at 01 April 2023	**32.20**	**16.91**	**37.82**	**61.16**	**84.01**	**232.10**	**20.75**	**20.75**
Charge for the year ended 31 March 2024	6.63	4.83	17.10	23.45	63.25	115.26	2.03	2.03
Sale / deletion for the year ended 31 March 2024	(7.36)	(0.61)	(0.01)	(0.87)	(15.05)	(23.90)	-	-
As at 31 March 2024	**31.47**	**21.13**	**54.91**	**83.74**	**132.21**	**323.46**	**22.78**	**22.78**
Charge for the year ended 31 March 2025	6.53	5.69	20.63	35.09	84.70	152.64	2.66	2.66
Sale / deletion for the year ended 31 March 2025	(1.67)	(0.46)	(12.43)	(0.02)	(18.31)	(32.89)	-	-
As at 31 March 2025	**36.33**	**26.36**	**63.11**	**118.81**	**198.60**	**443.21**	**25.44**	**25.44**
Net carrying value								
As at 31 March 2024	**36.14**	**17.38**	**36.28**	**51.92**	**156.44**	**298.16**	**2.14**	**2.14**
As at 31 March 2025	**36.40**	**23.88**	**32.34**	**76.87**	**277.56**	**447.05**	**11.79**	**11.79**

Notes:

1. 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 2025 and 31 March 2024.
2. Other intangible assets represent assets acquired by the Company and are not internally generated intangible assets.

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Notes forming part of the financial statements

(₹ in million)

10 Capital work-in-progress	**As at 31 March 2025**	**As at 31 March 2024**
Capital work-in-progress	0.93	-
	0.93	**-**

Capital work-in-progress ageing schedule

(₹ in million)

Particulars	**Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
As at 31 March 2025					
Projects in progress	0.93	-	-	-	0.93
Projects temporarily suspended	-	-	-	-	-
Total	**0.93**	**-**	**-**	**-**	**0.93**
As at 31 March 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

(₹ in million)

11 Intangible assets under development	**As at 31 March 2025**	**As at 31 March 2024**
Intangible assets under development	1.37	1.81
	1.37	**1.81**

Intangible assets under development ageing schedule

(₹ in million)

Particulars	**Intangible assets under development for a period of**				**Total**
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
As at 31 March 2025					
Projects in progress	1.37	-	-	-	1.37
Projects temporarily suspended	-	-	-	-	-
Total	**1.37**	**-**	**-**	**-**	**1.37**
As at 31 March 2024					
Projects in progress	1.35	0.46	-	-	1.81
Projects temporarily suspended	-	-	-	-	-
Total	**1.35**	**0.46**	**-**	**-**	**1.81**

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

(₹ in million)

12 Other non-financial assets	**As at 31 March 2025**	**As at 31 March 2024**
Prepaid expenses	208.26	103.89
Advance to creditors	15.97	14.24
Capital advances	14.47	5.22
Balance receivable from Government authorities	3.02	1.77
Others*	57.51	-
	299.23	**125.12**

*Others represents expenses accrued during the year ended 31 March 2025 towards proposed Qualified Institutions Placement ('QIP'), including ₹10.14 million payable to statutory auditors. These will be adjusted against securities premium as share issue expenses in the subsequent financial year on successful completion of the QIP.

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(₹ in million)

13 Derivative financial instruments	As at 31 March 2025		As at 31 March 2024	
	Notional amounts*	Fair Value - Liabilities /(assets)	Notional amounts*	Fair Value - Liabilities/(assets)
Part I				
(i) Currency derivatives:				
- Forward contracts**	3,444.51	53.16	4,530.79	3.44
- Currency swaps (Interest/ Principal/ both)	2,938.95	13.71	-	-
	6,383.46	**66.87**	**4,530.79**	**3.44**
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Fair value hedging:				
- Currency derivatives***	2,938.95	(52.15)	-	-
(ii) Cash flow hedging:				
- Currency derivatives***		65.86	-	-
(iii) Undesignated derivatives:				
- Currency derivatives	3,444.51	53.16	4,530.79	3.44
	6,383.46	**66.87**	**4,530.79**	**3.44**

* The notional amounts are not indicative of either the market risk or credit risk.

** The notional amounts of the respective currencies have been converted using exchange rates as at the balance sheet date.

*** The currency derivatives are held by the the Company for the purpose of, both, fair value hedging and cash flow hedging.

Hedging activities and derivatives

The Company is exposed to currency risk on its outstanding foreign currency borrowing amounting to ₹ 6,343.17 million (31 March 2024: ₹ 4,442.95 million) which is primarily mitigated using derivative financial instruments. Refer note 16(v) and note 36 for foreign currency risk disclosures.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial performance:

Type of hedge	Change in the value of hedging instrument recognised in Other comprehensive income		Hedge ineffectiveness recognised in the statement of profit and loss		Amount reclassified from cash flow hedging reserve to the statement of profit and loss	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Cash flow hedge						
Foreign currency & interest rate risk						
a. Cross currency interest rate swap	85.08	-	-	-	(40.10)	-

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(₹ in million)

14 Trade payables	**As at 31 March 2025**	**As at 31 March 2024**
Total outstanding dues of micro enterprises and small enterprises	2.29	0.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	158.57	114.54
	160.86	**114.85**

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 2025	**As at 31 March 2024**
Principal amount remaining unpaid	2.29	0.31
Interest due thereon remaining unpaid	-	-
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 year) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Trade Payables ageing schedule (₹ in million)

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
As at 31 March 2025					
(i) MSME	2.29	-	-	-	**2.29**
(ii) Others	2.14	-	-	-	**2.14**
(iii) Disputed dues - MSME	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	**-**
	4.43	**-**	**-**	**-**	**4.43**
Unbilled dues					156.43
Total					**160.86**
As at 31 March 2024					
(i) MSME	0.31	-	-	-	**0.31**
(ii) Others	0.68	-	-	-	**0.68**
(iii) Disputed dues - MSME	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	**-**
	0.99	**-**	**-**	**-**	**0.99**
Unbilled dues					113.86
Total					**114.85**

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(₹ in million)

15 Debt securities	**As at 31 March 2025**	**As at 31 March 2024**
At amortised cost		
Debentures (Secured)	2,848.39	2,775.28
	2,848.39	**2,775.28**
Debt securities in India	2,848.39	2,775.28
Debt securities outside India	-	-
	2,848.39	**2,775.28**

Details of redeemable non convertible debentures

(₹ in million)

	Earliest redemption date	**Rate of interest (p.a.)**	**Original Maturity**	**As at 31 March 2025**	**As at 31 March 2024**
Series 6	23 December 2025	8.92% to 9.05%	3 to 7 years	2,800.00	2,800.00
Interest accrued				67.73	-
Total debt securities				**2,867.73**	**2,800.00**
Adjustment of unamortised processing fee (EIR)				(19.34)	(24.72)
Total adjusted debt securities				**2,848.39**	**2,775.28**

The Company has outstanding 2,800 debentures (31 March 2024: 2,800 debentures) 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 investments, as may be identified by the Company on a time to time basis.

(₹ in million)

16 Borrowings (other than debt securities)	**As at 31 March 2025**	**As at 31 March 2024**
Secured		
At amortised cost		
Term loans		
- from banks	69,127.36	53,006.46
- from National Housing Bank (NHB)	18,643.71	15,696.42
- from other parties	4,887.53	1,484.89
Loans repayable on demand - from banks	-	57.97
	92,658.60	**70,245.74**
Borrowings in India (Refer note (v) below)	89,658.87	70,245.74
Borrowings outside India	2,999.73	-
	92,658.60	**70,245.74**

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 and half - yearly 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 2024: ₹ 340.00 million and ₹ 10.00 million) respectively on behalf of the Company to NHB. Total outstanding balance as at 31 March 2025 for such term loans is ₹1,677.37 million (31 March 2024: ₹ 2,468.75 million).

(v) Borrowings in India includes outstanding foreign currency borrowings amounting to ₹ 3,343.44 million (31 March 2024: ₹ 4,442.95 million) for which the Company has entered in to forward contracts to hedge the foreign currency risk.

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Terms of repayment of term loans

(₹ in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2025	As at 31 March 2024
2%-3%	Less than 5 years	2,445.63	1,738.78
3%-4%		-	1,707.33
4%-5%		206.53	457.48
5%-6%		3,698.75	3,698.76
6%-7%		14.51	54.98
7%-8%		773.25	2,978.11
8%-9%		56,340.62	32,758.15
9%-10%		17,303.26	18,098.20
5%-6%	5-7 years	241.78	1,032.48
7%-8%		79.27	872.80
8%-9%		7,834.81	5,253.36
9%-10%		845.26	394.20
7%-8%	7-10 years	-	848.61
8%-9%		2,892.09	280.40
9%-10%		85.71	85.71
8%-9%	More than 10 years	89.84	-
9%-10%		75.00	103.57
Total borrowings (excluding loans repayable on demand)		**92,926.31**	**70,362.92**
Adjustment of unamortised transaction cost		(267.71)	(175.15)
Total adjusted borrowings (excluding loans repayable on demand)		**92,658.60**	**70,187.77**

Terms of repayment of demand loans

(₹ in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2025	As at 31 March 2024
9%-10%	Less than 5 years	-	57.97

(₹ in million)

17 Other financial liabilities	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	-	138.59
Interest accrued but not due on debt securities	-	66.43
Lease liabilities (Refer note 42)	292.28	169.00
Amounts payable under assignment of receivables (collections made on behalf of assignee)	278.77	253.58
Amounts payable under co-lending	20.52	13.44
Margin money	0.30	-
Unclaimed dividend*	0.14	0.07
Payable to NHB against credit linked subsidy scheme (CLSS)**	3.02	5.09
Employee benefits payable	146.72	115.82
Other financial liabilities	62.45	26.49
	804.20	**788.51**

* There were no undisputed amounts which were due and remained unpaid to the Investor Education and Protection Fund as at 31 March 2025 and 31 March 2024.

** Represents subsidy received earlier to be refunded by the Company subsequently.

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(₹ in million)

18 Provisions	**As at 31 March 2025**	**As at 31 March 2024**
Provision for employee benefits - gratuity (Refer note 39 A)	59.70	47.77
Provision for employee benefits - compensated absences (Refer note 39 C)	12.52	9.13
Provision for expected credit loss on undisbursed loan commitment (Refer note 5.1(b))	21.70	16.94
	93.92	**73.84**

(₹ in million)

19 Other non-financial liabilities	**As at 31 March 2025**	**As at 31 March 2024**
Deferred income	58.35	55.51
Statutory remittances	104.34	27.59
	162.69	**83.10**

20 Equity share capital

Details of authorised, issued, subscribed and paid-up share capital

	As at 31 March 2025		As at 31 March 2024	
	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	9,00,55,540	180.11	8,85,16,167	177.03
	9,00,55,540	**180.11**	**8,85,16,167**	**177.03**

i. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2025 and 31 March 2024 is set out below:

Equity shares	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Shares outstanding at the beginning of the year	8,85,16,167	177.03	8,80,16,767	176.03
Add: Shares issued during the year	15,39,373	3.08	4,99,400	1.00
Shares outstanding at the end of the year	**9,00,55,540**	**180.11**	**8,85,16,167**	**177.03**

ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Orange clove investments B.V.	1,09,80,033	12.19%	2,04,22,269	23.07%
True North Fund V LLP	77,37,825	8.59%	1,25,47,690	14.18%
Aether (Mauritius) Limited	50,97,358	5.66%	83,03,935	9.38%
Smallcap World Fund, Inc	50,13,700	5.57%	-	0.00%

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.

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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 2025.

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 40.

vi. Shareholding of Promoters in the Company

Equity shares	As at 31 March 2025		As at 31 March 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
True North Fund V LLP	77,37,825	8.59%	1,25,47,690	14.18%	(38%)
Aether (Mauritius) Limited	50,97,358	5.66%	83,03,935	9.38%	(39%)

vii. Dividend

The Board of Directors at their meeting held on 01 May 2025 have recommended dividend of ₹ 3.70 per equity share for the year ended 31 March 2025 (Previous year: ₹ 3.40 per equity share), subject to the approval of shareholders at the ensuing Annual General Meeting.

(₹ in million)

21 Other equity	Notes	As at 31 March 2025	As at 31 March 2024
Statutory reserve	21.2	2,758.94	1,990.94
Securities premium	21.3	11,450.32	11,116.71
Stock option outstanding account	21.4	575.17	390.04
Retained earnings	21.5	10,309.62	7,552.88
Remeasurements of defined benefit plans	21.6	(16.36)	(12.75)
Cash flow hedge reserve	21.7	(44.98)	-
		25,032.71	**21,037.82**

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(₹ in million)

21.1 Particulars	As at 31 March 2025	As at 31 March 2024
Statutory reserve		
Opening balance	1,990.94	1,375.94
Add: Current year transfer	768.00	615.00
	2,758.94	**1,990.94**
Securities premium		
Opening balance	11,116.71	11,055.39
Add: Premium on issue of share capital	257.32	50.93
Add: Transferred from employee stock option reserve pursuant to stock options exercised	76.29	10.39
	11,450.32	**11,116.71**
Stock options outstanding account		
Opening balance	390.04	239.89
Add: Charge for the year	266.78	163.68
Less: Transferred to securities premium pursuant to stock options exercised	(76.29)	(10.39)
Less: Transferred to retained earnings pursuant to stock options lapsed	(5.36)	(3.14)
	575.17	**390.04**
Retained earnings		
Opening balance	7,552.88	5,336.60
Add: Profit for the year	3,820.68	3,057.17
Less: Dividends	(301.30)	(229.03)
Less: Transfer to statutory reserve	(768.00)	(615.00)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	5.36	3.14
	10,309.62	**7,552.88**
Remeasurements of defined benefit plans		
Opening balance	(12.75)	(10.46)
Add: Other comprehensive income for the year	(3.61)	(2.29)
	(16.36)	**(12.75)**
Other Comprehensive Income		
Cash flow hedge reserve		
Opening balance	-	-
Add: Other comprehensive income for the year	(44.98)	-
	(44.98)	**-**
	25,032.71	**21,037.82**

21.2 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 2025 and 31 March 2024, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

21.3 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.

21.4 Stock options outstanding account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee stock option schemes operated by the Company for its employees.

21.5 Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

21.6 Remeasurements of defined benefit plans

Remeasurements of defined benefit plans represents change on account of remeasurement of the net defined benefit liabilities comprising of actuarial gain/ loss.

21.7 Cash flow hedge reserve

Cash flow hedge reserve represents changes in the fair value of derivative financial instruments which are designated as effective hedges.

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(₹ in million)

22 Interest income	Year ended 31 March 2025	Year ended 31 March 2024
On financial assets measured at amortised cost		
Interest on term loans	12,801.59	9,696.14
Interest income on investments	152.27	138.84
Interest on bank deposits	357.66	204.46
Other interest income*	228.78	237.46
	13,540.30	**10,276.90**

*This includes interest income on unwinding of interest strip receivable and gain on modification of financial asset due to realisation of cashflows.

(₹ in million)

23 Fees and commission income	Year ended 31 March 2025	Year ended 31 March 2024
Insurance commission	331.73	-
Fee income	121.26	99.33
	452.99	**99.33**

(₹ in million)

Details of segment wise income as required by Insurance Regulatory and Development Authority of India (IRDAI):	Year ended 31 March 2025	Year ended 31 March 2024
Commission income - Life insurance	299.24	-
Commission income - General insurance	32.49	-
	331.73	**-**

(₹ in million)

24 Net gain on fair value changes	Year ended 31 March 2025	Year ended 31 March 2024
On financial instruments measured at fair value through profit and loss*		
- On trading portfolio - investment in mutual funds	400.77	324.74
- On derivative financial instruments	(49.72)	(3.44)
Total net gain on fair value changes	**351.05**	**321.30**
Fair value changes:		
-Realised	399.65	324.95
-Unrealised - Fair value loss	(48.60)	(3.65)
Total net gain on fair value changes	**351.05**	**321.30**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense.

(₹ in million)

25 Other operating income	Year ended 31 March 2025	Year ended 31 March 2024
Other charges*	42.87	45.85
	42.87	**45.85**

*Other charges mainly include cheque bounce charges, rate reduction charges, etc.

(₹ in million)

26 Other income	Year ended 31 March 2025	Year ended 31 March 2024
Marketing and advertisement fees	91.29	190.63
Other non-operating income	1.27	0.36
	92.56	**190.99**

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(₹ in million)

27 Finance costs	Year ended 31 March 2025	Year ended 31 March 2024
On financial liabilities measured at amortised cost		
Interest on borrowings	6,842.73	4,693.66
Interest on debt securities	257.60	270.67
Interest on lease liabilities (Refer note 42)	18.97	12.01
Other interest expense	33.40	22.28
	7,152.70	**4,998.62**

(₹ in million)

28 Impairment on financial instruments	Year ended 31 March 2025	Year ended 31 March 2024
On financial assets measured at amortised cost		
Impairment loss allowance on loans	129.06	127.67
Write-offs on loans (net)	155.06	125.49
Impairment loss allowance on loan commitment and other receivables	3.56	1.16
	287.68	**254.32**

(₹ in million)

29 Employee benefits expense	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	1,532.38	1,167.99
Contribution to provident and other funds (Refer note 39 B)	55.32	42.71
Gratuity expenses (Refer note 39.4)	12.81	10.57
Compensated absences expenses (Refer note 39 C)	3.39	2.50
Share based payment to employees (refer note 40)	266.78	163.68
Staff welfare expenses	73.41	95.99
	1,944.09	**1,483.44**

(₹ in million)

30 Other expenses	Year ended 31 March 2025	Year ended 31 March 2024
Power and fuel	12.92	10.23
Rent (Refer note 42)	13.35	12.65
Repairs and maintenance	4.16	2.31
Telephone and communication expense	3.61	2.98
Office administrative expenses	23.17	27.16
Marketing and sales promotion expense	43.65	43.21
Auditor’s remuneration (excluding GST)		
- Statutory audit fees	6.00	2.75
- Limited review fees	1.50	1.50
- Tax audit fees	0.30	0.30
- Other services (certifications, etc.)	1.46	1.78
Legal and professional charges	154.07	123.81
Director's fees, allowances and expenses	12.20	7.78
Travelling expense	107.57	100.93
Software and technology cost	200.44	163.63
Rates and taxes	117.14	98.01
Corporate social responsibility expenses (Refer note 43)	62.12	43.97
Bank charges and others	34.04	30.93
Miscellaneous expenses	38.68	38.25
	836.38	**712.18**

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(₹ in million)

31 Tax expense	Year ended 31 March 2025	Year ended 31 March 2024
Current tax expense		
Tax expense for the year	1,129.35	931.70
Adjustments in respect of current income tax of previous year	9.63	12.89
	1,138.98	**944.59**
Deferred taxes (net)		
Change in deferred tax assets	(117.74)	(81.72)
Change in deferred tax liabilities	173.96	79.56
Net deferred tax expense	**56.22**	**(2.16)**
Total income tax expense	**1,195.20**	**942.43**

31.1 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 2025 and 31 March 2024 is as follows:

(₹ in million)

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before income tax expense	**5,015.88**	**3,999.60**
Income tax rate (Refer para 1.6 - Taxation in material accounting policy information)	25.17%	25.17%
Tax at statutory income tax rate	1,262.40	1,006.62
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Items disallowed (net)	7.74	8.76
Provision for special reserve [Sec 36 (1) (viii) of Income tax Act, 1961]	(146.49)	(134.88)
Impact on account of financial assets and other items (net)	59.76	48.27
Others	11.79	13.66
Income tax expense	**1,195.20**	**942.43**

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Notes forming part of the financial statements

31.2 Deferred tax movement related to the following:

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2025	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax asset on account of:				
Provision for employee benefits	18.17	(2.63)	(1.22)	14.32
Impairment loss allowance	216.17	(33.37)	-	182.80
Unamortised transaction costs on loans	284.26	(38.60)	-	245.66
Lease liabilities	75.72	(32.22)	-	43.50
Stock option outstanding account	-	0.68	-	0.68
Unrealised net fair valuation loss on foreign currency borrowings and derivative financial instruments	13.31	(11.60)	-	1.71
	607.63	**(117.74)**	**(1.22)**	**488.67**
Deferred tax liability on account of:				
Depreciation and amortisation	47.08	22.19	-	24.89
Unamortised transaction costs on debt securities and borrowings (other than debt securities)	95.39	43.58	-	51.81
Interest income on Stage 3 loans	30.41	13.59	-	16.82
Fair valuation of investment in mutual funds	1.31	0.28	-	1.03
Deduction claimed for provision for bad debts u/s 36(1)(viia)	31.17	0.94	-	30.23
Excess interest strip receivable	426.02	93.38	-	332.64
	631.38	**173.96**	**-**	**457.42**
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	**(23.75)**	**56.22**	**(1.22)**	**31.25**

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2024	Recognised in the statement of profit and loss	Recognised in OCI	As at 31 March 2023
Deferred tax asset on account of:				
Provision for employee benefits	14.32	(2.37)	(0.77)	11.18
Impairment loss allowance	182.80	(32.43)	-	150.37
Unamortised transaction costs on loans	245.66	(43.22)	-	202.44
Lease liabilities	43.50	(5.40)	-	38.10
Stock option outstanding account	0.68	3.41	-	4.09
Unrealised net fair valuation loss on foreign currency borrowings and derivative financial instruments	1.71	(1.71)	-	-
	488.67	**(81.72)**	**(0.77)**	**406.18**
Deferred tax liability on account of:				
Depreciation and amortisation	24.89	3.04	-	21.85
Unamortised transaction costs on debt securities and borrowings (other than debt securities)	51.81	17.88	-	33.93
Interest income on Stage 3 loans	16.82	6.91	-	9.91
Fair valuation of investment in mutual funds	1.03	(0.05)	-	1.08
Deduction claimed for provision for bad debts u/s 36(1)(viia)	30.23	(3.62)	-	33.85
Excess interest strip receivable	332.64	55.40	-	277.24
	457.42	**79.56**	**-**	**377.86**
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	**31.25**	**(2.16)**	**(0.77)**	**28.32**

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32 Earnings per share (EPS)	As at 31 March 2025	As at 31 March 2024
Net profit after tax attributable to equity shareholders (₹in million)	3,820.68	3,057.17
Weighted average number of equity shares for calculating basic EPS	8,92,14,830	8,82,28,829
Effect of Dilutive Potential Equity shares - Employee Stock Options	16,07,330	25,55,970
Weighted average number of equity shares for calculating diluted EPS	9,08,22,160	9,07,84,799
Earnings per share		
Basic earning per share (₹)	42.83	34.65
Diluted earning per share (₹)	42.07	33.67
Face value per share (₹)	2.00	2.00

33 Related party disclosures

Related party disclosures as required under Indian Accounting standard 24 'Related party disclosures' are given below.

33.1 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. Deepak Satwalekar - Independent Director
Key Management Personnel (KMP)	Mr. Divya Sehgal - Nominee Director
Key Management Personnel (KMP)	Mr. Maninder Singh Juneja - Nominee Director
Key Management Personnel (KMP)	Mr. Narendra Ostawal - Nominee Director
Key Management Personnel (KMP)	Mr. Anuj Srivastava - Independent Director
Key Management Personnel (KMP)	Ms. Geeta Dutta Goel - Independent Director
Key Management Personnel (KMP)	Ms. Sucharita Mukherjee - Independent Director

33.2 Transactions during the year with related parties:

(₹ in million)

Transactions with	Nature of transactions	Year ended 31 March 2025	Year ended 31 March 2024
Mr. Manoj Viswanathan	Short term benefits - Remuneration	28.10	23.37
Mr. Manoj Viswanathan	Share based payment - Exercise of ESOP	35.17	1.17
Mr. Manoj Viswanathan	Share based payment - Grant of ESOP	38.98	11.27
Mr. Manoj Viswanathan	Post employment benefits - Gratuity	0.05	0.02
Mr. Manoj Viswanathan	Long term benefits - Compensated absences	0.08	0.05
Mr. Manoj Viswanathan	Dividend paid	2.73	2.09
True North Fund V LLP	Dividend paid	42.66	41.62
Aether (Mauritius) Limited	Dividend paid	28.23	27.59
Orange Clove Investments B.V.	Dividend paid	69.44	60.60
True North Enterprise Private Limited	Deputation charges	-	(0.17)
Mr. Deepak Satwalekar	Short term benefits - Sitting fees	0.50	0.50
Mr. Anuj Srivastava	Short term benefits - Sitting fees	1.10	0.60
Ms. Sucharita Mukherjee	Short term benefits - Sitting fees	1.50	1.30
Ms. Geeta Dutta Goel	Short term benefits - Sitting fees	1.40	-
Mr. Deepak Satwalekar	Short term benefits - Directors' commission	3.00	2.66
Mr. Anuj Srivastava	Short term benefits - Directors' commission	1.50	1.31
Ms. Sucharita Mukherjee	Short term benefits - Directors' commission	1.60	1.41
Ms. Geeta Dutta Goel	Short term benefits - Directors' commission	1.60	-

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Notes:

1. The transactions disclosed above are excluding GST. Remuneration includes amount of incentives paid during the year ended 31 March 2025 and 31 March 2024.
2. The transactions disclosed above are in the ordinary course of business and on an arms' length basis.
3. During the year ended 31 March 2025, 3,00,000 employee stock options amounting to ₹ 35.17 million were exercised (31 March 2024: 10,000 options amounting to ₹ 1.17 million). The cost of options granted for the year ended 31 March 2025 is ₹ 38.98 million (31 March 2024: ₹ 11.27 million).

33.3 Amount due to related parties:

(₹ in million)

Particulars	Nature	As at 31 March 2025	As at 31 March 2024
Mr. Deepak Satwalekar	Payable	3.00	2.66
Mr. Anuj Srivastava	Payable	1.80	1.31
Ms. Sucharita Mukherjee	Payable	1.60	1.41
Ms. Geeta Dutta Goel	Payable	1.60	-

34 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 combination of equity and/ or 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 51 for Capital to risk-weighted assets ratio (CRAR).

The Company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	As at 31 March 2025	As at 31 March 2024
Net total debt including interest accrued and not due thereon (net of cash and cash equivalents) (₹ in million)	89,515.71	67,421.27
Total equity (₹ in million)	25,212.82	21,214.85
Net debt to equity ratio	3.55	3.18

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.

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35 Fair value measurement

35.1 Financial instruments by category

(₹ in million)

Particulars	**Category**	**As at 31 March 2025**	**As at 31 March 2024**
Financial assets:			
Cash and cash equivalents	Amortised Cost	5,991.28	5,804.77
Bank balance other than cash and cash equivalents	Amortised Cost	3,391.09	2,410.32
Receivables			
- Trade receivables	Amortised Cost	55.49	-
- Other receivables		2.86	7.66
Loans	Amortised Cost	1,07,307.98	82,126.23
Less : Impairment loss allowance		(820.98)	(691.85)
Investments			
- Mutual funds	FVTPL	1,082.12	1,614.08
- Government Securities	Amortised Cost	2,520.25	2,174.05
Other financial assets	Amortised Cost	1,823.48	1,433.04
Total financial assets		**1,21,353.57**	**94,878.30**
Financial liabilities:			
Derivative financial instruments			
- At fair value through profit and loss (FVTPL)	FVTPL	1.01	3.44
- At fair value through other comprehensive income (FVOCI)	FVOCI	65.86	-
Trade payables	Amortised Cost	160.86	114.85
Debt securities	Amortised Cost	2,848.39	2,775.28
Borrowings (other than debt securities)	Amortised Cost	92,658.60	70,245.74
Other financial liabilities*	Amortised Cost	511.92	619.51
Total financial liabilities		**96,246.64**	**73,758.82**

* Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian Accounting Standard 116 (31 March 2025: ₹292.28 million; 31 March 2024: ₹169.00 million).

35.2 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.

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.

There have been no transfers amongst the levels of hierarchy during the year ended 31 March 2025 and 31 March 2024.

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35.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date

(₹ in million)

Particulars	As at 31 March 2025	As at 31 March 2024
	Level 1	
Financial assets measured at FVTPL		
Investments in Mutual funds	1,082.12	1,614.08
	Level 2	
Financial liabilities measured at FVTPL		
Derivative financial instruments	1.01	3.44
Financial liabilities measured at FVOCI		
Derivative financial instruments	65.86	-

35.4 Financial assets and liabilities measured at amortised cost at each reporting date

1. The carrying value of excess interest strip receivable, bank deposits, debt securities and borrowings represents its fair value.
2. Further, the carrying value of cash and cash equivalents, investments in government securities, receivables, 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.
3. Substantial amount of loans and borrowings are at a floating rate of interest and the carrying amount of these are considered to be approximately equal to their fair value.
4. Debt securities are at a floating rate of interest and hence, the carrying value is equal to the fair value.

   For carrying value and fair value of investments in mutual funds and derivative financial instruments, refer note 35.3.

35.5 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:

Derivative financial instruments - The fair value is determined as the present value of future expected cashflows based on observable yield curves and/ or forward exchange rates on the reporting date. The fair valuation is classified as level 2 in the fair value hierarchy since the inputs are observable but are not quoted prices.

36 Financial risk management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimise potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowings, 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.

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The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities (Refer note 67):

As at 31 March 2025

(₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Derivative financial instruments	66.87	-	-	-	**66.87**
Trade payables	160.86	-	-	-	**160.86**
Debt securities (Refer note (i) below)	623.86	2,224.53	-	-	**2,848.39**
Borrowings (other than debt securities) (Refer note (i) below)	18,362.61	62,194.49	11,937.21	164.29	**92,658.60**
Other financial liabilities (Refer note (ii) below)	511.92	-	-	-	**511.92**
Total	**19,726.12**	**64,419.02**	**11,937.21**	**164.29**	**96,246.64**

As at 31 March 2024

(₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Derivative financial instruments	3.44	-	-	-	**3.44**
Trade payables	114.85	-	-	-	**114.85**
Debt securities (Refer note (i) below)	-	2,220.22	555.06	-	**2,775.28**
Borrowings (other than debt securities) (Refer note (i) below)	14,271.10	47,121.23	8,750.16	103.25	**70,245.74**
Other financial liabilities (Refer note (ii) below)	619.51	-	-	-	**619.51**
Total	**15,008.90**	**49,341.45**	**9,305.22**	**103.25**	**73,758.82**

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 liabilities covered under Indian accounting standard 116 (31 March 2025: ₹292.28 million; 31 March 2024: ₹169.00 million).

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 primarily towards principal and interest payments at a future date on the foreign currency borrowings and certain vendors in trade payables.

In order to minimise any adverse impact on the financial performance of the Company, the Company enters in to forward contracts and cross currency interest rate swaps to hedge the foreign currency risk in such a manner that it results in fixed determinate outflows in the functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax and equity.

(Amounts in million)

Particulars	As at 31 March 2025		As at 31 March 2024	
	$	₹	$	₹
Financial liabilities				
Trade payables	0.34	29.26	-	-
Derivative financial instruments*	75.30	66.87	54.32	3.44
Borrowings (other than debt securities)	75.51	6,343.17	53.43	4,442.95

* The notional amount of derivative financial instruments includes derivatives amounting to $ 1.05 million equivalent to ₹ 89.74 million (31 March 2024: $ 0.83 million equivalent to ₹ 69.03 million) for interest which will be accrued and payable at future dates.

(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 the Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

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Exposure to loans, borrowings and debt securities

(₹ in million)

Particulars	As at 31 March 2025	As at 31 March 2024
Loans		
Loans (variable)	98,267.07	71,769.91
Loans (fixed rate)	9,040.91	10,356.32
Borrowings and debt securities		
Borrowings and debt securities (variable)	88,896.99	64,314.71
Borrowings and debt securities (fixed rate)	6,610.00	8,706.31
Total borrowings and debt securities	**95,506.99**	**73,021.02**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) on the Company's statement of profit and loss and equity:

(₹ in million)

Interest rate	Impact on profit before tax and equity	
	Year ended 31 March 2025	Year ended 31 March 2024
Loans		
Increase by 50 basis points	491.34	358.85
Decrease by 50 basis points	(491.34)	(358.85)
Borrowings and debt securities		
Increase by 50 basis points	(444.48)	(321.57)
Decrease by 50 basis points	444.48	321.57

(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 and equity	
	Year ended 31 March 2025	Year ended 31 March 2024
Investments in mutual funds		
Increase by 50 basis points	5.41	8.07
Decrease by 50 basis points	(5.41)	(8.07)

37 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 manages credit risks by using a set of credit procedures and guidelines, laid down in the credit risk policy, to ensure effective credit risk management and health of the portfolio. The adherence to the policy and various processes is monitored and appraised in the credit committee meetings on a quarterly basis. The policy is amended periodically to ensure compliance with the guidelines of the RBI as well as other regulatory bodies.

We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a customer relationship manager and customer service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices.

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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 from the borrower, in accordance with the RBI guidelines and the ECL Policy.

The Company evaluates the credit risk on its receivables from assigned portfolio and creates a provision for expected credit loss, refer note 7. The expected credit loss on the underlying assigned portfolio is used to determine the provision for expected credit loss on the excess interest strip receivable.

The following table sets out information about credit quality of loans measured at amortised cost based on the staging of the loans. The amount represents gross carrying amount. (Refer note 5 - Loans for detailed disclosure on gross carrying value and ECL amount on loans).

(₹ in million)

Loans	**As at 31 March 2025**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Home loan	85,216.31	1,284.22	1,585.90	**88,086.43**
Loan against property	17,495.58	225.27	190.70	**17,911.55**
Commercial loan	1,259.92	18.69	31.39	**1,310.00**
Total	**1,03,971.81**	**1,528.18**	**1,807.99**	**1,07,307.98**

(₹ in million)

Loans	**As at 31 March 2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Home loan	66,011.26	867.51	1,191.31	**68,070.08**
Loan against property	12,719.78	127.06	126.86	**12,973.70**
Commercial loan	988.64	18.58	17.69	**1,024.91**
Construction finance	-	-	57.54	**57.54**
Total	**79,719.68**	**1,013.15**	**1,393.40**	**82,126.23**

(₹ in million)

Loan commitments	**As at 31 March 2025**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Home loan	13,400.60	49.94	78.54	**13,529.08**
Loan against property	1,464.39	3.21	1.49	**1,469.09**
Commercial loan	94.45	0.48	1.45	**96.38**
Total	**14,959.44**	**53.63**	**81.48**	**15,094.55**

(₹ in million)

Loan commitments	**As at 31 March 2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Home loan	10,584.19	23.69	38.86	**10,646.74**
Loan against property	1,125.31	1.92	2.35	**1,129.58**
Commercial loan	107.86	0.10	0.82	**108.78**
Construction finance	-	-	17.26	**17.26**
Total	**11,817.36**	**25.71**	**59.29**	**11,902.36**

Customer type

(₹ in million)

Loans	**As at 31 March 2025**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Salaried	70,440.96	892.30	1,048.59	**72,381.85**
Self employed	33,530.85	635.88	759.40	**34,926.13**
	1,03,971.81	**1,528.18**	**1,807.99**	**1,07,307.98**

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(₹ in million)

Loans	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Salaried	53,747.59	613.70	813.21	**55,174.50**
Self employed	25,972.09	399.45	580.19	**26,951.73**
	79,719.68	**1,013.15**	**1,393.40**	**82,126.23**

38 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 2025	Year ended 31 March 2024
Carrying amount of derecognised financial assets as at year ended	16,364.65	12,191.40
Carrying amount of derecognised financial assets during the year	7,053.34	4,141.28
Gain from derecognition	912.26	631.08

38.1 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 2025	Year ended 31 March 2024
Number of loans	11,094	7,484
Aggregate amount (₹ in million)	7,837.04	4,601.42
Sale consideration (₹ in million)	7,053.34	4,141.28
Number of transactions	10	11
Weighted average remaining maturity (in months)	216	276
Weighted average holding period after origination (in months)	15	15
Retention of beneficial economic interest	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

b. The Company has not acquired any loan which is either not in default or stressed during the year ended 31 March 2025 and 31 March 2024.

c. The Company has not transferred any stressed loan during the year ended 31 March 2025 and 31 March 2024.

39 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:

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39.1 Actuarial assumptions

Particulars	**As at 31 March 2025**	**As at 31 March 2024**
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate (% p.a.)	6.55%	7.18%
Rate of salary increase (% p.a.)	10.00%	10.00%
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.

Asset liability matching risk: The Company faces asset liability matching risk as to the matching cashflow as it has to pay the gratuity benefits on pay as you go basis.

39.2 Changes in the present value of defined benefit obligation

(₹ in million)

Particulars	**As at 31 March 2025**	**As at 31 March 2024**
Present value of obligation at the beginning of the year	47.77	37.82
Interest expense	3.43	2.76
Current service cost	9.38	7.81
Benefit paid directly by the employer	(5.71)	(3.68)
Actuarial loss on obligations - due to change in financial assumptions	1.68	0.27
Actuarial loss on obligations - due to experience	3.15	2.79
Present value of obligation at the end of the year	**59.70**	**47.77**

39.3 Assets and liabilities recognised in the balance sheet

(₹ in million)

Particulars	**As at 31 March 2025**	**As at 31 March 2024**
Present value of the defined benefit obligation at the end of the year	(59.70)	(47.77)
Net liability recognised in the balance sheet	**(59.70)**	**(47.77)**

39.4 Expenses recognised in the statement of profit and loss

(₹ in million)

Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
Current service cost	9.38	7.81
Net interest expense	3.43	2.76
Expenses recognised in the statement of profit and loss for the year	**12.81**	**10.57**

39.5 Expenses recognised in the statement of other comprehensive income (OCI)

(₹ in million)

Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
Actuarial loss on post employment defined benefit obligation	4.83	3.06
Expenses recognised in the statement of OCI	**4.83**	**3.06**

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39.6 Reconciliation of net liability recognised

(₹ in million)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening net liability	47.77	37.82
Expenses recognised at the end of year in profit and loss	12.81	10.57
Amount recognised in other comprehensive income	4.83	3.06
Benefit paid directly by the employer	(5.71)	(3.68)
Net liability recognised in the balance sheet	**59.70**	**47.77**

39.7 Sensitivity analysis

(₹ in million)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Delta effect of +1% change in rate of discounting	(2.61)	(1.98)
Delta effect of -1% change in rate of discounting	2.88	2.18
Delta effect of +1% change in rate of salary increase	2.37	1.81
Delta effect of -1% change in rate of salary increase	(2.23)	(1.70)
Delta effect of +1% change in rate of employee turnover	(0.75)	(0.46)
Delta effect of -1% change in rate of employee turnover	0.80	0.49

39.8 Maturity analysis of projected benefit obligation

(₹ in million)

Year	As at 31 March 2025	As at 31 March 2024
1	8.49	7.50
2	7.94	6.73
3	7.66	6.38
4	7.61	6.15
5	7.31	5.86
Sum of years 6 to 10	24.94	20.01
Sum of years 11 and above	22.09	17.70

39.9 Experience adjustments

(₹ in million)

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	59.70	47.77	37.82	29.71	20.51
Experience adjustments on defined benefit obligation	3.15	2.79	1.12	1.71	4.01

(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 ₹ 52.35 million (31 March 2024: ₹ 40.37 million) for provident fund contributions in the statement of profit and loss.

(C) Compensated absence expenses

The Company has accounted for provision for compensated absences. 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 ₹ 3.39 million (31 March 2024: ₹ 2.50 million).

40 Employee stock options

40.1 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	04 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	01 April 2017	01 April 2018	01 April 2019	01 October 2019	01 October 2020
Exercise price per option (post subdivision) (₹) ^	117.24	117.24	139.30	223.20	334.73

*Notes:

a. 2,87,975 options lapsed in Tranche 1 of ESOP II and were reissued in Tranche 3 (2,47,225 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, were reissued in Tranche 5 (1,54,500) (post subdivision) during the year ended 31 March 2021.

^ Refer note 40.5(ii)

c) Homefirst ESOP Scheme 2021 ('ESOP 2021')	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
No. of options approved	19,69,283					
No. of options granted	9,25,000	1,18,900	7,000	7,86,882	65,000	84,000
Date of grant	15 December 2021	19 July 2022	07 November 2022	26 April 2023	27 May 2023	08 May 2024
Exercise price per option (₹)	851.10	771.30	730.00	706.20	692.65	878.05

d) Homefirst ESOP Scheme 2024 ('ESOP 2024')	Tranche 1
No. of options approved	26,55,485
No. of options granted	11,00,000
Date of grant	22 July 2024
Exercise price per option (₹)	970.30

40.2 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:

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 01 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 01 April 2018.

Particulars	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**	**Tranche 5**
Vesting start period	01 April 2018	01 April 2019	01 April 2020	01 October 2020	01 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 40.5(ii)

40.2 Vesting condition (continued)

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	Tranche 4	Tranche 5	Tranche 6
Vesting start period	01 April 2023		01 August 2023	01 April 2024	25 April 2024	26 May 2024	08 May 2025
Vesting period	3 years	4 years	3 years	3 years	3 years	3 years	3 years
1st Year	2,57,400	36,250	39,237	2,310	2,59,669	21,450	27,720
2nd Year	2,57,400	36,250	39,237	2,310	2,59,669	21,450	27,720
3rd Year	2,65,200	36,250	40,426	2,380	2,67,544	22,100	28,560
4th Year	-	36,250	-	-	-	-	-

d) ESOP 2024

The options shall vest in 3 years from the date of grant, in equal proportions, upon achievement of the performance conditions.

Particulars	Tranche 1
Vesting start period	22 July 2025
Vesting period	3 years
1st Year	3,63,000
2nd Year	3,63,000
3rd Year	3,74,000

40.3 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.

ESOP 2024: The contractual life (vesting period plus exercise period) ranges from 5 to 6.7 years i.e. vesting period ranging from 1 to 2.69 years and exercise period of 4 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, ESOP 2021 and ESOP 2024 is to be settled through issue of equity shares.

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40.4 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 40.5(ii)

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40.4 Computation of fair value of options granted (continued)

Particulars	ESOP 2021					
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Share price (Amount in ₹)	851.10	771.30	730.00	706.20	692.65	878.05
Exercise price (Amount in ₹)	851.10	771.30	730.00	706.20	692.65	878.05
Volatility	26.20% to 28.09%	26.77% to 28.68%	27.17% to 29.11%	38.10% to 40.66%	38.00% to 40.47%	36.58% to 39.5%
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% -	1st year- 6.81% 2nd year- 6.86% 3rd year- 6.92% -	1st year- 6.76% 2nd year- 6.79% 3rd year- 6.83% -	1st year- 6.99% 2nd year- 7.01% 3rd year- 7.03% -
Dividend yield	-	-	-	0.37%	0.37%	0.39%
Fair value of options (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 -	1st year- 213.62 2nd year- 266.10 3rd year- 302.71 -	1st year- 208.80 2nd year- 256.09 3rd year- 292.51 -	1st year- 260.19 2nd year- 313.42 3rd year- 373.83 -

Particulars	ESOP 2024
	Tranche 1
Share price (Amount in ₹)	970.30
Exercise price (Amount in ₹)	970.30
Volatility	35.59% to 35.72%
Risk free rate	1st year- 6.79% 2nd year- 6.81% 3rd year- 6.83%
Dividend yield	0.32%
Fair value of options (Amount in ₹)*	1st year- 393.39 2nd year- 435.20 3rd year- 488.15

*The fair value of option has been determined based on Black - Scholes - Merton formula.

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40.5 Reconciliation of outstanding share options:

Particulars (No. of options)	As at 31 March 2025				As at 31 March 2024		
	ESOP 2012	**ESOP II**	**ESOP 2021**	**ESOP 2024**	**ESOP 2012**	**ESOP II**	**ESOP 2021**
Outstanding at beginning of year (Refer note ii below)	1,51,500	26,87,745	15,64,999	-	3,61,000	30,12,694	9,13,400
Vested at beginning of year (Refer note ii below)	1,51,500	22,40,723	2,66,231	-	3,61,000	19,99,024	-
Granted during the year (Refer note ii below)	-	-	84,000	11,00,000	-	-	8,51,882
Vested during the year (Refer note ii below)	-	2,55,472	5,15,215	-	-	5,30,936	2,83,090
Lapsed (Refer note ii below)	-	17,041	1,11,757	34,466	-	37,454	1,97,878
- Forfeited (vested - lapsed)	-	9	25,744	-	-	1,742	14,454
- Lapsed (unvested - lapsed)	-	17,032	86,013	34,466	-	35,712	1,83,424
Exercised (Refer note ii below)	1,41,500	12,81,794	1,16,079	-	2,09,500	2,87,495	2,405
Outstanding at end of the year (Refer note ii below)	**10,000**	**13,88,910**	**14,21,163**	**10,65,534**	**1,51,500**	**26,87,745**	**15,64,999**
Vested and exercisable at end of the year (Refer note ii below)	10,000	12,14,392	6,39,623	-	1,51,500	22,40,723	2,66,231
Weighted average exercise price per option of options outstanding (Amount in ₹) (Refer note ii below)	56.23	141.75	781.79	970.30	56.23	134.33	776.75
Weighted average remaining contractual life of options	3.00 years	7.43 years	2.60 years	3.07 years	3.09 years	7.73 years	3.64 years

Notes: (i) Expenses arising on equity settled share based payments for the year ended 31 March 2025 is ₹ 266.78 million (31 March 2024: ₹ 163.68 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.

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41 Segment information

41.1 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.

41.2 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 2025 and 31 March 2024.

The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately

42 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 3% 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 2025**	**As at 31 March 2024**
Not later than one year	101.96	71.68
Later than one year and not later than five years	237.83	119.85
Later than five years	-	0.01
Total undiscounted lease liabilities	**339.79**	**191.54**
Lease liabilities included in the balance sheet		
Total lease liabilities	292.28	169.00

(₹ in million)

Amount recognised in the statement of profit and loss	**Year ended 31 March 2025**	**Year ended 31 March 2024**
Interest on lease liabilities	18.97	12.01
Depreciation charge for the year	84.70	63.25
Expenses relating to leases	13.35	12.65

(₹ in million)

Amount recognised in statement of cash flows	**Year ended 31 March 2025**	**Year ended 31 March 2024**
Cash outflow towards lease liabilities	93.96	71.19

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.

(₹ in million)

Movement of lease liabilities	**As at 31 March 2025**	**As at 31 March 2024**
Opening balance	169.00	147.73
Additions during the year	203.18	83.25
Interest on lease liabilities	18.97	12.01
Repayment of lease liabilities	(93.96)	(71.19)
Termination of lease liabilities	(4.91)	(2.80)
Closing balance	292.28	169.00

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43 Corporate social responsibility expenses

(₹ in million)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Total amount required to be spent during the year	62.12	43.97
(b) Total amount of expenditure incurred during the year	62.12	43.97
(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. Promoting 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;

d. Promoting digital literacy, building importance of saving, and instilling future planning skills among students.

Notes:

1. No amount has been spent by the Company for the construction/ acquisition of any new asset relating to CSR during the year ended 31 March 2025 and 31 March 2024.
2. There have been no related party transactions during the year ended 31 March 2025 and 31 March 2024 in respect of CSR activities.

44 Contingent liabilities and commitments

There are no Contingent Liabilities as on 31 March 2025 (31 March 2024: Nil).

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Commitments - Undisbursed amount of housing and other loans	15,094.55	11,902.36

45 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 30 September 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 31 March 2025	Of (A), amount written off during the half-year ended 31 March 2025	Of (A), amount paid by the borrowers during the half-year ended 31 March 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2025
	(A)	(B)	(C)	(D)	
Personal Loans	65.70	2.06	0.02	2.44	61.18
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**65.70**	**2.06**	**0.02**	**2.44**	**61.18**

46 i. The Company does not hold any immovable property as on 31 March 2025 and 31 March 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

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ii. 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 2025 and 31 March 2024.

iii. The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. The Company reviews and ensures that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of account. There were no such contracts for which there were any material foreseeable losses for the year ended 31 March 2025.

47 Disclosures required under Master Direction - Reserve Bank of India (Non-Banking Finance Company - Scale Based Regulation) Directions, 2023

Requirements	Response
NBFCs shall put up to the Board of Directors, at regular intervals, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC.	The Company has put in place a risk management policy and periodic updates are presented to the Risk Management Committee.
NBFCs shall put up to the Board of Directors, at regular intervals, conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.	The Company has put up to the Board of Directors' confirmity with corporate governance standards compliance.

48 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 2025 and 31 March 2024.

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 2025 and 31 March 2024.

49 On 11 April 2025, the Company has, by way of Qualified Institutions Placement in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, alloted 1,28,86,597 equity shares of face value of ₹ 2 per share at a price of ₹ 970 per share, aggregating to ₹ 12,500 million.

50 Registration of charges or satisfaction with Registrar of Companies (ROC)

There has been no delay in registration or satisfaction of charges with ROC beyond the statutory date during the year ended 31 March 2025 and 31 March 2024.

51 Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% Variance	Reasons for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	22,280.84	67,847.18	32.84%	38.63%	(15.00%)	NA
Tier I CRAR	22,028.96	67,847.18	32.47%	38.23%	(15.07%)	NA
Tier II CRAR	251.88	67,847.18	0.37%	0.40%	(7.70%)	NA
Liquidity Coverage Ratio	3,045.41	1,953.20	155.92%	180.33%	(13.54%)	NA

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Notes forming part of the financial statements

52 The Company has borrowings from banks and financial institutions on the basis of security of receivables and 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 with no material discrepancies, except as follows:

Quarter ended	Name of the Bank	Amount as per books of accounts (₹ in million)	Amount as reported in the quarterly return/ statement (₹ in million)	Amount of difference (₹ in million)	Reason for material discrepancies
30 June 2024 31 December 2024 31 March 2025	All consortium lenders	88,649.23 1,01,234.90 1,07,042.62	88,726.50 1,01,343.10 1,07,120.50	(77.27) (108.20) (77.88)	Original returns were submitted on the basis of provisional numbers.*
31 March 2025	All consortium lenders	9,552.44	9,564.96	(12.52)	Difference due to post-closing entries relating to repayment made.

*The Company has filed updated returns/ statements with the Banks and financial institutions subsequently and the amounts reported in the updated returns/ statements are in accordance with the books of accounts.

53 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 2025 and 31 March 2024 are held by the Company in the form of investments and bank deposits till the time the utilisation is made subsequently.

54 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 2025 and 31 March 2024, 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 2025 and 31 March 2024.

55 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 (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;

b. No funds have been received by the Company from any persons(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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

56 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2025 and 31 March 2024.

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57 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.

(₹ in million)

Assets	As at 31 March 2025			As at 31 March 2024		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	5,991.28	-	5,991.28	5,804.77	-	5,804.77
Bank balance other than cash and cash equivalents	2,928.05	463.04	3,391.09	1,967.67	442.65	2,410.32
Receivables	58.35	-	58.35	7.66	-	7.66
Loans	16,400.94	90,086.06	1,06,487.00	13,806.14	67,628.24	81,434.38
Investments	3,602.37	-	3,602.37	3,788.13	-	3,788.13
Other financial assets	586.57	1,236.91	1,823.48	465.49	967.55	1,433.04
Non-financial assets						
Current tax assets (net)	-	2.78	2.78	-	2.78	2.78
Deferred tax assets (net)	-	-	-	-	31.25	31.25
Property, plant and equipment	-	169.49	169.49	-	141.72	141.72
Capital work-in-progress	-	0.93	0.93	-	-	-
Intangible assets under development	-	1.37	1.37	-	1.81	1.81
Right of use assets	-	277.56	277.56	-	156.44	156.44
Other intangible assets	-	11.79	11.79	-	2.14	2.14
Other non-financial assets	284.45	14.78	299.23	119.48	5.64	125.12
Total assets	**29,852.01**	**92,264.71**	**1,22,116.72**	**25,959.34**	**69,380.22**	**95,339.56**
Liabilities						
Financial liabilities						
Derivative financial instruments	66.87	-	66.87	3.44	-	3.44
Trade payables	160.86	-	160.86	114.85	-	114.85
Debt securities	623.86	2,224.53	2,848.39	-	2,775.28	2,775.28
Borrowings (other than debt securities) (Refer note below)	18,362.61	74,295.99	92,658.60	14,271.10	55,974.64	70,245.74
Other financial liabilities	609.98	194.22	804.20	688.74	99.77	788.51
Non-financial liabilities						
Current tax liabilities (net)	-	84.62	84.62	-	39.95	39.95
Provisions	11.26	82.66	93.92	9.55	64.29	73.84
Deferred tax liabilities (net)	-	23.75	23.75	-	-	-
Other non-financial liabilities	162.69	-	162.69	83.10	-	83.10
Total liabilities	**19,998.13**	**76,905.77**	**96,903.90**	**15,170.78**	**58,953.93**	**74,124.71**
Net	**9,853.88**	**15,358.94**	**25,212.82**	**10,788.56**	**10,426.29**	**21,214.85**

Note: The Company has undrawn facilities amounting to ₹ 12,153.90 million as at 31 March 2025 (31 March 2024: ₹ 7,737.03 million).

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58 Disclosure on Liquidity Risk 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)

58.1 Funding Concentration based on significant counterparty (borrowings)

Number of Significant Counterparties #	Amount (₹ in million)	% of Total Deposits	% of Total liabilities*
25	92,844.84	-	95.81%

#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.

*Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equity share capital and other equity.

58.2 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.

58.3 Top 10 borrowings

Sr. No.	Amount (₹ in million)	% of Total Borrowings
1	36,380.87	38.09%

Top 10 borrowings have been identified considering each type of facility availed from the respective lender.

58.4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product*	Amount (₹ in million)	% of Total Liabilities**
1	NCD	2,848.39	2.94%
2	Term Loans from Banks & Financial Institutions	74,014.89	76.38%
3	NHB	18,643.71	19.24%

*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 equity share capital and other equity.

58.5 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**	1.04%
6	Other short-term liabilities as a % of total assets	0.83%
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 equity share capital and other equity.

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58.6 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.

59 Disclosure on Liquidity Coverage Ratio (LCR) 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 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 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 2025 and 31 March 2024.

The main drivers of LCR are:

Outflows comprises of:

a) All the contractual debt repayments and interest payments

b) Expected operating expense

Inflows comprises of:

a) Expected receipt (scheduled EMIs) from all loans

b) Liquid investment in the form of unencumbered fixed deposits with banks which are not forming part of High Quality Liquid Assets

c) Sanctioned and undrawn lines of credits.

For concentration of funding sources, refer 58 on disclosure on liquidity risk.

To hedge the interest rate risk and foreign currency risk on foreign currency borrowings, the Company enters into derivative transactions.

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All the derivatives of the Company are for hedging purpose and not for any speculative or trading purpose. As at 31 March 2025, the notional amount of outstanding derivatives is ₹ 6,383.46 million (31 March 2024: ₹ 4,530.79 million) representing derivative financial liabilities of ₹ 66.87 million (31 March 2024: ₹ 3.44 million). Further, the Company has executed bilateral Credit Support Agreement with one of its derivative counterparty during the year ended 31 March 2025.

As on 31 March 2025, there is no outstanding margin but there could be potential future margin calls based on the MTM movements of derivative financial instruments. There is no currency mismatch required to be reported in LCR as on 31 March 2025 and 31 March 2024 since all the foreign currency liabilities are reinstated to ₹ as per the corresponding derivative/ forward deals and closing exchange rates.

Quantitative information on LCR for the year ended 31 March 2025:

(₹ in million)

Particulars	Quarter Ended 31 March 2025		Quarter Ended 31 December 2024		Quarter Ended 30 September 2024		Quarter Ended 30 June 2024	
	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)	3,045.41	3,045.41	2,908.19	2,908.19	2,436.55	2,436.55	2,626.82	2,626.82
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured funding	1,816.29	2,088.73	1,516.01	1,743.41	1,066.03	1,225.94	1,218.54	1,401.32
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	35.76	41.13	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	4,977.45	5,724.07	4,962.86	5,707.29	4,714.12	5,421.24	4,577.92	5,264.60
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	**6,793.74**	**7,812.80**	**6,478.87**	**7,450.71**	**5,815.92**	**6,688.30**	**5,796.45**	**6,665.92**
Cash Inflows								
9 Secured Lending	1,325.28	993.96	1,282.05	961.54	1,177.87	883.40	1,113.83	835.37
10 Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11 Other cash inflows	20,402.24	15,301.68	18,688.14	14,016.11	16,347.68	12,260.76	12,477.95	9,358.46
12 Total Cash Inflows	**21,727.52**	**16,295.64**	**19,970.20**	**14,977.65**	**17,525.55**	**13,144.16**	**13,591.78**	**10,193.83**
	Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13 Total HQLA	**3,045.41**		**2,908.19**		**2,436.55**		**2,626.82**	
14 Total Net Cash Outflows	**1,953.20**		**1,862.68**		**1,672.08**		**1,666.48**	
15 Liquidity Coverage Ratio (%)	**155.92%**		**156.13%**		**145.72%**		**157.63%**	

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Quantitative information on LCR for the year ended 31 March 2024:

(₹ in million)

Particulars	Quarter Ended 31 March 2024		Quarter Ended 31 December 2023		Quarter Ended 30 September 2023		Quarter Ended 30 June 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)	2,700.80	2,700.80	2,603.46	2,603.46	2,300.35	2,300.35	2,282.01	2,282.01
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured funding	966.48	1,111.45	1,053.91	1,212.00	1,170.86	1,346.49	1,135.96	1,306.36
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	4,242.99	4,879.44	3,833.22	4,408.20	3,655.18	4,203.46	3,517.49	4,045.11
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	**5,209.47**	**5,990.89**	**4,887.13**	**5,620.20**	**4,826.04**	**5,549.95**	**4,653.45**	**5,351.47**
Cash Inflows								
9 Secured Lending	1,022.31	766.73	978.74	734.06	911.07	683.30	822.30	616.73
10 Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11 Other cash inflows	12,397.09	9,297.82	17,154.56	12,865.92	12,683.16	9,512.37	4,820.25	3,615.19
12 Total Cash Inflows	**13,419.40**	**10,064.55**	**18,133.30**	**13,599.98**	**13,594.23**	**10,195.67**	**5,642.55**	**4,231.92**
	Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13 Total HQLA	**2,700.80**		**2,603.46**		**2,300.35**		**2,282.01**	
14 Total Net Cash Outflows	**1,497.72**		**1,405.05**		**1,387.49**		**1,337.87**	
15 Liquidity Coverage Ratio (%)	**180.33%**		**185.29%**		**165.79%**		**170.57%**	

Disclosures required by the RBI circular on Implementation of Indian Accounting Standards dated 13 March 2020

60 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

As at 31 March 2025

(₹ 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	1,03,971.81	213.91	1,03,757.90	310.23	(96.32)
	Stage 2	1,528.18	151.69	1,376.49	22.45	129.24
Subtotal		**1,05,499.99**	**365.60**	**1,05,134.39**	**332.68**	**32.92**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,454.98	290.22	1,164.76	211.71	78.51
Doubtful - up to 1 year	Stage 3	259.18	85.92	173.26	57.45	28.47
1 to 3 years	Stage 3	90.97	76.38	14.59	36.11	40.27
More than 3 years	Stage 3	2.86	2.86	-	2.86	-
Subtotal for doubtful		**353.01**	**165.16**	**187.85**	**96.42**	**68.74**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,807.99**	**455.38**	**1,352.61**	**308.13**	**147.25**
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	-	21.70	(21.70)	-	21.70
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	**21.70**	**(21.70)**	-	**21.70**
Total	**Stage 1**	**1,03,971.81**	**235.61**	**1,03,736.20**	**310.23**	**(74.62)**
	Stage 2	**1,528.18**	**151.69**	**1,376.49**	**22.45**	**129.24**
	Stage 3	**1,807.99**	**455.38**	**1,352.61**	**308.13**	**147.25**
	Total	**1,07,307.98**	**842.68**	**1,06,465.30**	**640.81**	**201.87**

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60 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

As at 31 March 2024

(₹ 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	79,719.68	182.47	79,537.21	250.40	(67.93)
	Stage 2	1,013.15	94.95	918.20	37.84	57.11
Subtotal		**80,732.83**	**277.42**	**80,455.41**	**288.24**	**(10.82)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,241.33	323.70	917.63	263.24	60.46
Doubtful - up to 1 year	Stage 3	118.30	69.30	49.00	70.34	(1.04)
1 to 3 years	Stage 3	33.00	21.15	11.85	22.34	(1.19)
More than 3 years	Stage 3	0.77	0.28	0.49	0.58	(0.30)
Subtotal for doubtful		**152.07**	**90.73**	**61.34**	**93.26**	**(2.53)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,393.40**	**414.43**	**978.97**	**356.50**	**57.93**
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	-	16.94	(16.94)	-	16.94
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	**16.94**	**(16.94)**	-	**16.94**
Total	**Stage 1**	**79,719.68**	**199.41**	**79,520.27**	**250.40**	**(50.99)**
	Stage 2	**1,013.15**	**94.95**	**918.20**	**37.84**	**57.11**
	Stage 3	**1,393.40**	**414.43**	**978.97**	**356.50**	**57.93**
	Total	**82,126.23**	**708.79**	**81,417.44**	**644.74**	**64.05**

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61 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 2025		As at 31 March 2024	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	2,848.39	-	2,841.71	-
		Debentures : Unsecured	-	-	-	-
	(b)	Deferred credits	-	-	-	-
	(c)	Term Loans	92,658.60	-	70,326.36	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans (Demand loans)	-	-	57.97	-
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 2025	As at 31 March 2024
			Amount outstanding	Amount outstanding
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a)	Secured	1,06,487.00	81,434.38
	(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	-	-

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Notes forming part of the financial statements

(₹ in million)

		Assets	As at 31 March 2025 Amount outstanding	As at 31 March 2024 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	1,082.12	1,614.08
	(iv)	Government Securities	2,520.25	2,174.05
	(v)	Others	-	-
	2	Unquoted		
	(i)	Shares	-	-
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-
		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	-	-
	2	Unquoted		
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-

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(₹ in million)

6		Borrower group-wise classification of assets financed as in (3) and (4) above:	As at 31 March 2025			As at 31 March 2024		
			Amount net of provisions			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	1,06,487.00	-	1,06,487.00	81,434.38	-	81,434.38
		Total	**1,06,487.00**	-	**1,06,487.00**	**81,434.38**	**-**	**81,434.38**

(₹ 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 2025		As at 31 March 2024	
			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1	Related Parties				
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	-	-	-	-
	(c)	Other related parties	-	-	-	-
	2	Other than related parties	3,602.37	3,602.37	3,788.13	3,788.13
		Total	**3,602.37**	**3,602.37**	**3,788.13**	**3,788.13**

(₹ in million)

8		Other information	As at 31 March 2025	As at 31 March 2024
		Particulars	**Amount**	**Amount**
	(i)	**Gross Non-Performing Assets**		
	(a)	Related parties	-	-
	(b)	Other than related parties	1,807.99	1,393.40
	(ii)	**Net Non-Performing Assets**		
	(a)	Related parties	-	-
	(b)	Other than related parties	1,352.61	978.97
	(iii)	**Assets acquired in satisfaction of debt**	-	-

Note: Loan Portfolio includes gross loans amounting to ₹ 439.43 million (31 March 2024: ₹ 261.33 million), out of which ₹ 20.38 million (31 March 2024: ₹ 21.00 million) pertains to retained portion of loans from the assigned portfolio, 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.

**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.

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Disclosures required by the RBI vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

62 Capital

The following table sets forth, for the years indicated, the details of capital to risk assets ratio under RBI Guidelines:

	As at 31 March 2025	As at 31 March 2024
i) CRAR (%)	32.84%	38.63%
ii) CRAR – Tier I Capital (%)	32.47%	38.23%
iii) CRAR – Tier II Capital (%)	0.37%	0.40%
iv) Amount of subordinated debt raised as Tier II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

63 Reserve fund under section 29C of NHB Act, 1987

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of NHB Act, 1987	182.14	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	1,808.80	1,272.90
	1,990.94	**1,375.94**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	186.01	79.10
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	581.99	535.90
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	368.15	182.14
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	2,390.79	1,808.80
Total	**2,758.94**	**1,990.94**

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64 Investments

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Value of investments		
i) Gross value of investments		
(a) In India	3,602.37	3,788.13
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	3,602.37	3,788.13
(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 / write back of excess provision during the year	-	-
iv) Closing balance	**-**	**-**

65 Derivatives

65.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
i) The notional principal of swap agreements/ forward contracts	6,383.46	4,530.79
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 / forward contracts	-	-
iv) Concentration of credit risk arising from the swaps / forward contracts*	-	-
v) The fair value of the swap book / forward contracts	66.87	3.44

* The Company has entered in to derivative contracts with Scheduled Commercial Banks during the year ended 31 March 2025 and 31 March 2024.

65.2 Exchange traded interest rate (IR) derivative

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
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)	-	-

65.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company manages various risks associated with the lending business, including liquidity risk, foreign exchange risk, interest rate risk and counterparty risk. To manage these risks, the Company has Board approved policies and framework, including the Risk Management Policy and ALCO Policy, which sets limits for exposures on currency, interest rates and other parameters. The Company manages its currency risk and enters in to derivative contracts in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk and interest rate risk on borrowings is actively managed mainly through derivative financial instruments by entering in to forward contracts and cross currency interest rate swaps. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Risk Management Committee.

B. Quantitative Disclosure

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
i) Derivatives (Notional Principal Amount)*	6,383.46	4,530.79
ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	66.87	3.44
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

* The notional amount of derivatives includes currency derivatives amounting to ₹ 2,938.95 million as at 31 March 2025 which are used by the Company to hedge the currency risk as well as the interest rate risk on its outstanding foreign currency borrowings.

66 Gold loan

The Company does not provide any loans on collateral of gold and gold jewelleries.

67 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹ in million)

	As at 31 March 2025				
	Borrowings from banks (Refer (i) below)	Market borrowings	Foreign currency liabilities	Loans (Refer (ii) below)	Investments (Refer (iii) below)
1 to 7 days	167.08	-	-	318.90	2,546.91
8 to 14 days	112.22	-	99.74	318.90	-
15 days to one month	467.66	-	-	728.92	1,906.02
Over 1 month and up to 2 months	496.89	-	116.30	1,366.75	1,011.27
Over 2 months and up to 3 months	2,280.76	67.73	50.47	1,366.75	1,303.26
Over 3 months and up to 6 months	4,767.24	-	161.66	4,100.24	510.54
Over 6 months and up to 1 year	9,219.53	556.13	423.06	8,200.48	2,325.97
Over 1 year and up to 3 years	34,726.85	1,112.27	2,045.76	32,801.93	50.00
Over 3 years and up to 5 years	23,634.66	1,112.26	1,787.22	33,347.05	-
Over 5 years	10,442.54	-	1,658.96	23,937.08	-
Total	**86,315.43**	**2,848.39**	**6,343.17**	**1,06,487.00**	**9,653.97**

Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹ in million)

	As at 31 March 2024				
	Borrowings from banks (Refer (i) below)	Market borrowings	Foreign currency liabilities	Loans (Refer (ii) below)	Investments (Refer (iii) below)
1 to 7 days	84.58	-	-	268.45	2,480.25
8 to 14 days	91.73	-	99.69	268.45	620.20
15 days to one month	509.74	-	-	613.61	1,462.47
Over 1 month and up to 2 months	498.67	-	161.57	1,150.51	2,104.29
Over 2 months and up to 3 months	1,207.44	-	-	1,150.51	1,351.80
Over 3 months and up to 6 months	3,431.01	-	261.26	3,451.54	50.00
Over 6 months and up to 1 year	7,403.21	-	522.20	6,903.07	1,436.46
Over 1 year and up to 3 years	26,144.23	1,110.11	1,694.85	27,612.30	81.82
Over 3 years and up to 5 years	17,989.56	1,110.11	1,292.59	28,084.69	305.45
Over 5 years	8,442.62	555.06	410.79	11,931.25	-
Total	**65,802.79**	**2,775.28**	**4,442.95**	**81,434.38**	**9,892.74**

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Notes forming part of the financial statements

Notes:

(i) Borrowings from banks includes borrowings from financial institutions and excludes foreign currency borrowings from banks and financial institutions.

(ii) Classification of assets and liabilities under different maturity buckets is based on the estimates and assumptions as used by the Company.

(iii) Investments includes deposits with banks.

(iv) The Company does not have deposits (public) and foreign currency assets as at 31 March 2025 and 31 March 2024.

68 Exposure

68.1 Exposure to real estate sector

(₹ in million)

Category	As at 31 March 2025	As at 31 March 2024
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. Exposure would also include non-fund based (NFB) limits.	1,05,723.82	80,856.02
(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.	1,584.16	1,270.21
(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	**1,07,307.98**	**82,126.23**

Note: The amounts included above are net of unamortised processing fee (EIR) and excludes off-balance sheet exposure.

68.2 Exposure to capital market

The Company does not have any exposure to capital market sector as at 31 March 2025 and 31 March 2024.

68.3 Sectoral Exposure

(₹ in million)

Sectors	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on balance sheet & off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services						
i. Commercial Real Estate	71.82	1.14	1.59%	135.34	58.69	43.36%
Total of Services	**71.82**	**1.14**	**1.59%**	**135.34**	**58.69**	**43.36%**
4. Personal loans						
i. Housing (Including Priority Sector Housing)	94,643.12	1,465.17	1.55%	72,868.00	1,096.20	1.50%
ii. Loan Against Property	18,401.03	179.13	0.97%	13,366.45	119.12	0.89%
iii. Other Personal loans	9,286.56	162.55	1.75%	7,658.80	119.39	1.56%
Total of Personal loans (i. + ii. + iii.)	**1,22,330.71**	**1,806.85**	**1.48%**	**93,893.25**	**1,334.71**	**1.42%**

68.4 Details of financing of parent company products: Not applicable.

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68.5 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 2025 and 31 March 2024.

68.6 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authorisations as collateral security during the year ended 31 March 2025 and 31 March 2024.

68.7 Exposure to group companies engaged in real estate business

	As at 31 March 2025		As at 31 March 2024	
	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	-	-	-	-

68.8 Intra-group exposures

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Total amount of intra-group exposures	Nil	Nil
Total amount of top 20 intra-group exposures	Nil	Nil
Percentage of intra-group exposures to total exposure of the HFC on borrowers/ customers	Nil	Nil

68.9 Unhedged foreign currency exposure

There were no unhedged foreign currency exposures as at 31 March 2025 and 31 March 2024. Refer note 36 for policies to manage currency induced risk.

69 Related Party Disclosure

69.1 Refer note 33 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. Manoj Viswanathan - Managing Director and Chief Executive Officer
Director	Mr. Deepak Satwalekar - Independent Director
Director	Mr. Divya Sehgal - Nominee Director
Director	Mr. Maninder Singh Juneja - Nominee Director
Director	Mr. Narendra Ostawal - Nominee Director
Director	Mr. Anuj Srivastava - Independent Director
Director	Ms. Geeta Dutta Goel - Independent Director
Director	Ms. Sucharita Mukherjee - Independent Director
Key Management Personnel (KMP)	Mr. Shreyans Bachhawat - Company Secretary
Key Management Personnel (KMP)	Ms. Nutan Gaba Patwari - Chief Financial Officer

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Notes forming part of the financial statements

69.2 Transactions with related parties:

During year ended 31 March 2025:

(₹ in million)

Related Party / Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	28.10	28.96	-	**57.05**
Exercise of ESOP	-	35.17	16.99	-	**52.17**
Grant of ESOP	-	38.98	-	-	**38.98**
Dividend paid	140.33	2.73	-	-	**143.06**
Others	-	12.33	0.49	-	**12.81**

During year ended 31 March 2024:

(₹ in million)

Related Party / Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	23.37	23.97	-	**47.34**
Exercise of ESOP	-	1.17	9.75	-	**10.92**
Grant of ESOP	-	11.27	-	-	**11.27**
Dividend paid	129.81	2.09	-	-	**131.90**
Others	(0.17)	7.86	-	-	**7.69**

70 Miscellaneous

70.1 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India. The Company is acting as a corporate agent and is registered with the Insurance Regulatory and Development Authority of India (IRDAI) vide registration number CA0909.

70.2 The Company has reported fraud amounting to ₹25.13 million during the year ended 31 March 2025 (Previous year: Nil).

70.3 Group structure: Not Applicable. The Company does not have any holding, subsidiary or associate company.

70.4 Rating assigned by credit rating agency and migration of rating during the year

As at 31 March 2025

Instrument	Rating agency	Rating	Comments
Commercial paper	ICRA	ICRA A1+	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	India Ratings & Research	IND A1+	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	ICRA AA- (Stable)	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	Care AA- (Stable)	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.
Term loans	India Ratings & Research	IND AA- (Positive)	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	ICRA	ICRA AA- (Stable)	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.

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Non-convertible debentures	India Ratings & Research	IND AA- (Positive)	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 2024

Instrument	Rating agency	Rating	Comments
Commercial paper	ICRA	ICRA A1+	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	India Ratings & Research	IND A1+	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	ICRA AA- (Stable)	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	Care AA- (Stable)	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.
Term loans	India Ratings & Research	IND AA- (Positive)	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	ICRA	ICRA AA- (Stable)	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	India Ratings & Research	IND AA- (Positive)	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.

There has been no migration of credit ratings during the year ended 31 March 2025.

Details of migration of ratings during the year ended 31 March 2024

Instrument	Rating Agency	As at 31 March 2024	As at 31 March 2023
Term loans	India Ratings & Research	IND AA- (Positive)	IND AA- (Stable)
Non-convertible debentures	India Ratings & Research	IND AA- (Positive)	IND AA- (Stable)

70.5 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 financial statements.

70.6 Revenue Recognition

There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

70.7 Consolidated Financial Statements (CFS)

The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

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71 Provisions and Contingencies

71.1 Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement of profit and loss

(₹ in million)

	Year ended 31 March 2025	Year ended 31 March 2024
i) Provisions for depreciation on investment	-	-
ii) Provision made towards income tax	1,195.20	942.43
iii) Provision towards non performing assets (NPA)	40.95	83.73
iv) Provision for standard assets		
- Commercial real estate	(0.15)	(2.70)
- Commercial real estate - RH	-	(12.38)
- Others	88.26	59.02
v) Other Provisions and Contingencies - Provision for gratuity and compensated absences (including Other Comprehensive Income)	21.03	16.13

71.2 Break up of loan and advances and provisions thereon

(₹ in million)

	Housing loan		Non housing loan	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Standard assets				
a) Total outstanding amount	79,774.40	61,259.80	25,725.59	19,473.03
b) Provisions made	296.97	222.38	68.63	55.04
Sub - Standard assets				
a) Total outstanding amount	1,179.75	1,025.57	275.23	215.76
b) Provisions made	247.63	282.24	42.59	41.46
Doubtful assets – Category-I				
a) Total outstanding amount	207.63	99.57	51.55	18.73
b) Provisions made	70.12	61.93	15.80	7.37
Doubtful assets – Category-II				
a) Total outstanding amount	75.60	27.76	15.37	5.24
b) Provisions made	66.55	19.08	9.83	2.07
Doubtful assets – Category-III				
a) Total outstanding amount	2.19	0.60	0.67	0.17
b) Provisions made	2.19	0.23	0.67	0.05
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	**81,239.57**	**62,413.30**	**26,068.41**	**19,712.93**
b) Provisions made	**683.46**	**585.86**	**137.52**	**105.99**

71.3 Divergence in Asset Classification and Provisioning

There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2025 and 31 March 2024.

72 Draw down from reserves

Refer note 21 for disclosure pertaining to draw down from reserves during the year ended 31 March 2025 and 31 March 2024.

73 Concentration of public deposits, advances, exposures and NPA's

73.1 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.

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	As at 31 March 2025	As at 31 March 2024
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

73.2 Concentration of loans and advances

	As at 31 March 2025	As at 31 March 2024
Total loans and advances to twenty largest borrowers (₹ in million)	203.58	235.29
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.19%	0.29%

73.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 31 March 2025	As at 31 March 2024
Total exposure to twenty largest borrowers / customers (₹ in million)	211.65	263.23
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.17%	0.28%

73.4 Concentration of Non performing assets (NPA)

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Total exposure to top ten NPA accounts	45.13	91.11

73.5 Sector wise Non performing assets (NPAs)

Sector wise percentage of NPAs to total advances in that sector	As at 31 March 2025	As at 31 March 2024
A Housing loans:		
1 Individuals	1.80%	1.76%
2 Builders/Project loans	-	100.00%
3 Corporates	-	-
4 Others	-	-
B Non housing loans:		
1 Individuals	1.32%	1.22%
2 Builders/Project loans	-	100.00%
3 Corporates	-	-
4 Others	-	-

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Notes forming part of the financial statements

74 Movement of Non performing assets (NPAs)

	As at 31 March 2025	As at 31 March 2024
(I) Net NPAs to net advances (%)	1.27%	1.20%
(II) Movement of NPAs (Gross)		
a) Opening balance (₹ in million)	1,393.40	973.90
b) Additions during the year* (₹ in million)	1,283.82	1,042.32
c) Reductions during the year* (₹ in million)	869.23	622.82
d) Closing balance (₹ in million)	1,807.99	1,393.40
(III) Movement of Net NPAs		
a) Opening balance (₹ in million)	978.97	643.20
b) Additions during the year* (₹ in million)	992.82	745.76
c) Reductions during the year* (₹ in million)	619.18	409.99
d) Closing balance (₹ in million)	1,352.61	978.97
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance (₹ in million)	414.43	330.70
b) Provision made during the year (net) (₹ in million)	291.00	296.56
c) Write-off/ write-back of excess provisions during the year (₹ in million)	250.05	212.83
d) Closing balance (₹ in million)	455.38	414.43

* The above do not include NPAs identified and upgraded during the year.

75 Overseas assets

	As at 31 March 2025	As at 31 March 2024
Nil	-	-

76 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored	As at 31 March 2025		As at 31 March 2024	
	Domestic	Overseas	Domestic	Overseas
Nil	-	-	-	-

77 Disclosure of complaints

77.1 Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2025	As at 31 March 2024
Complaints received by the Company from its customers		
1. Number of complaints pending at the beginning of the year	2	0
2. Number of complaints received during the year	391	360
3. Number of complaints disposed during the year	393	358
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	2

Annual Accounts

Notes forming part of the financial statements

Particulars	As at 31 March 2025	As at 31 March 2024
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 and covered within the ambit of the scheme.

* The Reserve Bank - Integrated Ombudsman Scheme, 2021 is not applicable to the Company.

77.2 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 2025				
1. Document related (Account statement, outstanding letter, tax certificate, etc)	-	124	32%	-	-
2. Transaction related (EMI, part payments, ECS, etc)	1	106	25%	-	-
3. Product related (Top up loan, Auto prepayments, etc)	-	50	16%	-	-
4. Pricing related (Rate of interest, fees, etc)	-	41	(9%)	-	-
5. Other category (CIBIL related, Application related, etc.)	-	24	71%	-	-
6. Others	1	46	(42%)	-	-
Total	**2**	**391**	**9%**	**-**	**-**
	Year ended 31 March 2024				
1. Document related (Account statement, outstanding letter, tax certificate, etc)	-	94	42%	-	-
2. Transaction related (EMI, part payments, ECS, etc)	-	85	113%	1	-
3. Pricing related (Rate of interest, fees, etc)	-	45	(18%)	-	-
4. Product related (Top up loan, Auto prepayments, etc)	-	43	34%	-	-
5. PMAY Subsidy related	-	38	(67%)	1	-
6. Others	-	55	(38%)	-	-
Total	**-**	**360**	**(10%)**	**2**	**-**

Annual Accounts

Notes forming part of the financial statements

78 Breach of covenants

The Company has complied with the financial covenants under the terms of major borrowing facilities throughout the year ended 31 March 2025 and 31 March 2024.

79 Loans to Directors, Senior Officers and relatives of Directors

(₹ in million)

	As at 31 March 2025	As at 31 March 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

80 Principal business criteria

	As at 31 March 2025	As at 31 March 2024
Housing Loan (₹ in million)	81,239.56	62,413.30
Construction Finance - Residential (₹ in million)	-	57.31
Housing Finance (clauses a to k of para 4.1.16)*	66.65%	65.56%
Housing finance for individuals (clauses a to e of para 4.1.16)*	66.65%	65.50%

*As per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021, as amended.

81 There was no penalty imposed by any regulator/ supervisor/ enforcement authority on the Company during the year ended 31 March 2025 and 31 March 2024.

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503
Place: Mumbai
Date: 01 May 2025

For and on behalf of the Board of Directors

Manoj Viswanathan
Managing Director &
Chief Executive Officer
DIN No.: 01741612
Place: Mumbai
Date: 01 May 2025

Divya Sehgal
Director
DIN No.: 01775308
Place: Mumbai
Date: 01 May 2025

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 01 May 2025

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 01 May 2025

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report on Identified Sustainability Information 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 a limited assurance engagement for Home First Finance Company India Limited (the "Company") vide our Engagement Letter dated April 7, 2025 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the "GRI Content Index" section in the Integrated Annual Report (the "Integrated Annual Report") of the Company for the financial year ended March 31, 2025.

This engagement was conducted by a team comprising of assurance practitioners and environment expert.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2025 is summarised in Appendix 1 to this report.

Our limited assurance engagement was only with respect to the Identified Sustainability Information included in the Integrated Annual Report of the Company for the financial year ended March 31, 2025.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information in the GRI Content Index for inclusion in the Integrated Annual Report is the Global Reporting Initiatives Standards ("GRI Standards") as set out under Appendix 1 to this report (the "Criteria")

Management's Responsibilities

The Company's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report and measurement of Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error.

LLPIN AAC-5001
FRN 012754N/N500016

Price Waterhouse Chartered Accountants LLP, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
T: +91 (79) 69247156

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, 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)

Inherent limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information 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 values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", 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.

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

LLPIN AAC-5001
FRN 012754N/N500016
Ahmedabad

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 Information, assessing the risks of material misstatement of the Identified Sustainability Information 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 Information.

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 judgement 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 referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and / or measurements of the Identified Sustainability Information.
- 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 an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the agreed Identified Sustainability Information as per Appendix 1 including at the corporate office visited. This did not include testing the operating effectiveness of management systems and controls.
- Checked the consolidation for various offices under the reporting boundary (as mentioned in the Integrated Annual Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Information at corporate office, to check that data had been appropriately measured with underlying documents recorded, collated and reported.
- Where applicable for the Identified Sustainability Information in the Integrated Annual Report, we have relied on the information in the audited financial statements of the Company for the year ended March 31, 2025, which were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 1, 2025, expressed an unmodified opinion on those financial statements;
- Assessed the level of adherence to GRI Standards by the Company in preparing the Identified Sustainability Information in 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 Identified Sustainability Information and relevant source data/information.
- Obtained representations from the Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

LLPIN AAC-5001
FRN 012754N/N500016

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;
- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1.
- Aspects of the Integrated Annual Report and data/ information (qualitative or quantitative) included in the Integrated Annual Report other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e. the financial year ended March 31, 2025.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information summarised in Appendix 1 and included in the Integrated Annual Report for the financial year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditor of the Company or otherwise.

This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to assist the Company in reporting Company's sustainability performance and activities as a part of the Company's Integrated Annual Report which will be published on the Company's website. Our report should not be used for any other purpose or by any person other than the addressee of our report. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Hirak Patwa
Partner
Membership Number: 128990
UDIN: 25128990BMOYHP2280

Place: Ahmedabad
Date: May 30, 2025

Appendix 1

Identified Sustainability Information

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

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FRN 012754N/N500016

Notice of the Annual General Meeting

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 16th ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED ("THE COMPANY") IS SCHEDULED TO BE HELD ON WEDNESDAY, JUNE 25, 2025 AT 12:00 NOON (IST) THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") 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, 2025.

2. To declare final dividend of ₹3.70/- per equity share for the FY25.

3. To appoint a director in place of Mr. Divya Sehgal (DIN: 01775308), who retires by rotation and being eligible, has offered himself for re-appointment.

Special Business:

4. **To consider and approve the appointment of M/s. Aashish K. Bhatt & Associates as Secretarial Auditor of the Company**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act 2013 **("Act")** read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries (M. No: 19639, COP No. 7023 and Peer review certificate No.- 2959/2023), be and hereby appointed as the Secretarial Auditor of the Company, to hold office for a period 5 (Five) consecutive financial years i.e. from FY26 up to FY30, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period, on such remuneration as may be determined by the Board, in addition to taxes and re-imbursement of out-of-pocket expenses incurred by them in connection with the secretarial audit.

   RESOLVED FURTHER THAT the Board of Directors or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and matters including but not limited to obtaining such other services or certificates, reports or opinions in accordance with the applicable laws and such other things as may be necessary or expedient to implement this Resolution."

By order of the Board of Directors,
For Home First Finance Company India Limited
Sd/-
Shreyans Bachhawat
Company Secretary & Compliance Officer
Mem No: A26700
Date: June 02, 2025
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 the Annual General Meeting

Notes:

1. In accordance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as **"MCA circulars")** and Circular No. SEBI/HO/CFD/CMD1 /CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 read with Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/0155 dated November 11, 2024 issued by the Securities and Exchange Board of India (hereinafter collectively referred as **"SEBI Circulars")** (MCA Circulars and SEBI Circulars are hereinafter collectively referred to as **"the Circulars")** and in compliance with the provisions of the Companies Act , 2013 **("Act")** and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations"),** the AGM is being held through Video Conferencing **("VC")** facility / Other Audio Visual Means **("OAVM")** without the physical presence of the Members at a common venue on Wednesday, June 25, 2025 at 12:00 noon (IST). 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 AGM Notice.

2. Pursuant to the provisions of Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (as amended) and the Circulars, the Company is holding its AGM through VC/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 Financial Year 2024-25 **("FY25")** along with the Notice of the 16th Annual General Meeting **("AGM Notice")** is being sent to the members in electronic form, to the e-mail address registered by them with the Company/ Depositories. The AGM Notice and Annual report for FY25 shall also be 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 Limited. (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 members based on the specific request received at corporate@homefirstindia.com.

4. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts relating to the special business to be transacted at the AGM is annexed hereto. The Board of Directors, at its meeting held on May 1, 2025 considered that the Special business under Item No. 4 being unavoidable, be transacted at the AGM. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are also annexed.

5. All documents referred to in the AGM Notice will be available for electronic inspection without any fee by the members from the date of circulation of this AGM Notice up to the date of AGM, i.e. Wednesday, June 25, 2025. 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 Act, the Register of Contracts or Arrangements in which the directors

Notice of the Annual General Meeting

are interested, maintained under Section 189 of the Act as applicable and the Certificate from the Secretarial Auditor pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM. Further, members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company from their registered email address, mentioning their name, DP ID and Client ID number and mobile number, at least 48 hours in advance before the commencement of the Meeting i.e. latest by Monday, June 23,2025, 12:00 noon IST through email to corporate@homefirstindia.com. Such questions shall be taken up during the meeting or replied by the Company suitably. The Company reserves the right to restrict the number of questions time depending upon the availability of time at the AGM.

7. 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 Act. Pursuant to 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 Act will not be available for the AGM and hence the Proxy form is not annexed to the AGM Notice. However, in pursuance of Section 113 of the Act, representatives of the Corporate 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 aashish@aashishbhatt.in and evoting@nsdl.co.in.

8. The AGM Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Beneficial owner and Record of Depositories as on Friday, May 30, 2025 in accordance with the provisions of the Act read with Rules made thereunder and the Circulars.

9. The Company has fixed Friday, May 30, 2025 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, 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 or before Thursday, July 24, 2025 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the NSDL and the Central Depository Services (India) Limited **("CDSL"),** collectively **"Depositories"**, as of end of day on Friday, May 30, 2025.

11. In order to promote optimum utilization of natural resources responsibly, we request members 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 your Depository Participant (DP) and register your email id and bank account details with your demat account at the earliest, as per the process advised by your Depository Participant.

12. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The members are requested to update their valid PAN with the DPs.

    Resident individual member with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, 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. on Tuesday, June 10, 2025.

Notice of the Annual General Meeting

Members 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 tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Income-tax Act, as applicable.

Non-resident members [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 member 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 members by 11:59 p.m. (IST) on Tuesday, June 10, 2025.

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 member, the member 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 Members as on the cut-off date and any person who is not a member as on that date should treat this AGM Notice for information purposes only. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/Beneficial owner of the Company as on the cut-off date will be entitled to vote during the AGM.

16. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023), has established a common Securities Market Approach for Resolution through Online Dispute Resolution Portal **("Smart ODR Portal")** for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website.

17. 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 11:30 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 AGM 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 members (members 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.

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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 name, DP ID and client ID, No. of shares, PAN, mobile number at corporate@homefirstindia.com on or before 11:59 pm Wednesday, June 18, 2025. 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 tab-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 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, Telangana- 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 AGM Notice by e-mail and holds shares as on the cut-off date i.e.on Wednesday, June 18, 2025, may obtain the User ID and password by sending a request to e-mail address evoting@nsdl.com 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 Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Matre, Sr. Manager at evoting@nsdl.co.in 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.

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THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, June 21, 2025 at 09:00 AM (IST) and ends on Tuesday, June 24, 2025 at 05:00 PM (IST) 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 Wednesday, June 18, 2025, may cast their vote electronically. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, June 18, 2025.

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 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. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 2. 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. 3. 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

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Type of shareholders	Login Method
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with 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. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user

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Type of shareholders	Login Method
	by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login Type	Helpdesk Detail
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.com or call at 022 - 4886 7000
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 toll free no. 1800-21-09911

B) Login Method for members other than Individual members 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 ‘Member/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:

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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**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for members other than Individual members are given below:

   a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on '[Forgot User Details/Password](#)' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid option, you can send a request at evoting@nsdl.co.in mentioning your demat account number, your PAN, your name and your registered address etc.

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

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2. Select **"EVEN - 133906 "** 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 members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aashish@aashishbhatt.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" option 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 Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Matre, Sr. Manager at evoting@nsdl.com

PROCESS FOR THOSE MEMBERS 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 AGM NOTICE:

1. For shares 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 member holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) above 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 Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

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/ shareholders, 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 in the AGM.

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3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at 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" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Member/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 AGM Notice to avoid last minute rush.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
3. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
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.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from 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.
8. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at corporate@homefirstindia.com. The same will be replied by the company suitably.

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Background note to Item no. 3

In accordance with provisions Section 152 of the Act, Mr. Divya Sehgal (DIN: 01775308), Nominee Director of the Company, being longest in office since his last appointment is proposed for retirement by rotation at this Annual General Meeting ("**AGM**"). Being eligible, he has offered himself for re-appointment at the AGM. A brief profile of Mr. Divya Sehgal is as below:

Brief profile of Mr. Divya Sehgal:

Mr. Divya Sehgal is a Non-Executive Nominee Director of our Company. He holds a bachelor's 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. Previously, he was associated with McKinsey & Company as associate, ANZ Grindleys Bank, E Medlife.com Limited as director and Apollo Health Street Limited as chief operating officer. Currently, he is associated with True North Managers LLP as a partner. He is also on the Boards of AU Small Finance Bank and Protec General Insurance Limited.

Mr. Sehgal, Nominee Director of the Company, represents M/s. True North Fund V LLP as the Promoter Director. Mr. Juneja, who served as a Nominee Director has tendered his resignation effective May 02, 2025. Following his resignation, the Board now comprises of seven directors, of which four are Independent Directors.

Information as required under Regulation 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. 3 is given hereunder as Annexure A.

Mr. Sehgal, being appointee is interested and his relatives may be deemed to be interested in the said resolution.

Except as stated above, 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. 3 of the AGM Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE "ACT")

The following Explanatory Statement, pursuant to Section 102 of the Act, sets out all material facts relating to the business mentioned in the accompanying AGM Notice dated June 02, 2025:

Item No. 4

In terms of Section 204 and other applicable provisions, if any, of the Companies Act 2013 ("**Act**") read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company shall annex with its Board's report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.

Further, Regulation 24A of the SEBI Listing Regulations, requires listed companies and its material unlisted subsidiaries incorporated in India to undertake secretarial audit by a secretarial auditor who is required to be a peer reviewed company secretary and annex the secretarial audit report in such form as specified, with its annual report.

The aforementioned regulation read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, apart from listing down the eligibility criteria for appointment of the secretarial auditor, stipulates appointment/ re-appointment of an individual as a secretarial auditor cannot be for more than one term of 5 (five) consecutive years and in case the secretarial auditor is a secretarial audit firm, it cannot be for more than two terms of 5 (five) consecutive years and such an appointment/re-appointment is required to be approved by the members of the company at its annual general meeting, basis recommendation of the Board of directors ("**Board**").

It further stipulates that any association of the individual or the firm as the secretarial auditor of the listed entity before March 31, 2025 is not required to be considered for the purpose of calculating the tenure of the secretarial auditor.

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Further, Regulation 24A(1B) of the SEBI Listing Regulations, secretarial auditor appointed shall provide to the Company only such other services as approved by the Board but shall not include any of the services specified in the said sub regulation, the Company from time to time may require obtaining such other non-audit services including certifications for forms or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws. Accordingly, the Company may obtain other services or certificates, reports or opinions in accordance with the applicable laws as may be required by the Company from time to time.

In view of the aforesaid, basis recommendation of the Audit Committee, the Board at its meeting held on May 01, 2025, subject to approval of the Members of the Company, approved the appointment of M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries (M. No: 19639, COP No. 7023 and Peer review certificate No. – 2959/2023), to hold office for a period 5 (Five) consecutive financial years i.e.; from FY26 up to FY30, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period.

Brief Profile/Credentials of M/s. Aashish K. Bhatt & Associates:

M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, was established by Mr. Aahish K Bhatt in 2006 and is based in Mumbai. It provides multidisciplinary regulatory services pertaining to Company law, SEBI, RBI, IRDAI, PFRDA etc. and serves as one stop solution for Corporate Bodies, Banks, Financial Institutions, NBFCs, Insurance Companies, Asset Reconstruction Companies, Merchant Bankers, Foreign Entities, Industrialists, Entrepreneurs and Professionals. It caters to the need of clients from various sectors and specialised in the Secretarial Audits of Listed Companies (including High Value Debt Listed Entities), Insurance and Other Companies operating in the financial and corporate sectors such as Aadhar Housing Finance Limited, DAM Capital Advisors Limited, Axis Capital Limited, Reliance Nippon Life Insurance Company Limited, SBI Life Insurance Company Limited and SBI General Insurance Company Limited.

M/s. Aashish K. Bhatt & Associates is a peer reviewed firm in terms of the guidelines issued by the Institute of Company Secretaries of India and meets the eligibility criteria as enumerated under Regulation 24A (1A) of the Listing Regulations. Further, M/s. Aashish K. Bhatt & Associates has given their consent to act as the Secretarial Auditor of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under the Act, SEBI Listing Regulations and guidelines issued by the Institute of Company Secretaries of India.

The proposed remuneration to be paid to M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, for FY26 is ₹1.75 Lakhs per annum (Rupees One lakh Seventy-Five Thousand only). The said remuneration excludes certifications and other professional work, applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board. There is no change in the proposed remuneration of new Secretarial Auditor compared to that paid to the outgoing Secretarial Auditor.

The Board after taking into account the eligibility of the firm, qualification, experience, independent assessment & expertise of the Partners in providing Secretarial audit related services, competency of the staff and Company's previous experience, recommends the ordinary resolution for appointment of M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company including payment of audit fees to them as set out at Item No. 4 of this AGM Notice, for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution as set out at Item no. 4 of this AGM Notice.

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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. 3 is given hereunder:

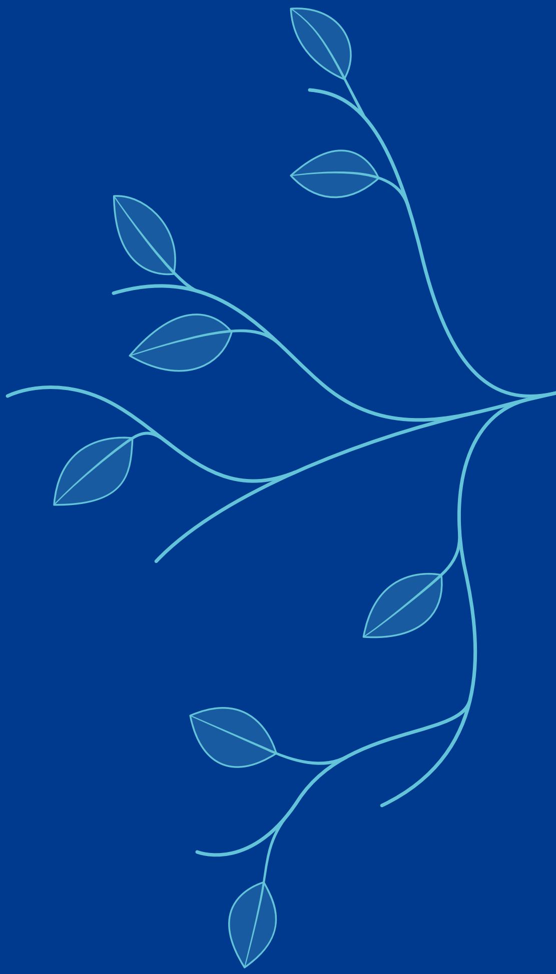
Sr. No.	Particulars	Detail
1.	Name of Director	Mr. Divya Sehgal
2.	Date of Birth	October 20, 1972
3.	DIN	01775308
4.	Age	53 years
5.	Brief resume, experience, and qualifications	Mr. Divya Sehgal is a Non-Executive Nominee Director of our Company. He holds a bachelor's of technology degree in electrical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Bengaluru. Previously, he was associated with Mc Kinsey & Company as associate, ANZ Grindleys Bank, E Medlife.com Limited as director and Apollo Health Street Limited as chief operating officer. Currently, he is associated with True North Managers LLP as a partner. He is also on the Boards of AU Small Finance Bank and Protec General Insurance Limited.
6.	Nature of expertise in specific functional areas	Industry Experience, Financial Expertise, Consumer Behavior, Strategy & Decision making, ALM and Risk Management, Information Technology & Cyber Security and Corporate Governance.
7.	Terms and conditions of appointment/re-appointment	Mr. Sehgal is proposed to be re-appointed as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting of the Company. The terms and condition of re-appointment shall be as per Appointment Letter and in accordance with the provisions of Companies Act, 2013.
8.	Remuneration proposed to be paid	Nil
9.	Date of first appointment on Board, last drawn remuneration and number of board meetings attended	Mr. Divya Sehgal was appointed as Nominee Director on the Board on June 10, 2017 representing True North Fund V LLP. Last drawn remuneration is Nil. During FY25, there were 4 board meetings held and Mr. Sehgal has attended 3 Board Meetings.
10.	No. of Equity shares held in the Company (Including shareholding as a beneficial owner) (as on March 31, 2025)	NIL

Notice of the Annual General Meeting

Sr. No.	Particulars	Detail
11.	Relationships with other directors and Key Managerial Personnel inter-se	None
12.	Directorship held in other Companies Boards.	**Directorship in other Companies:** a. AU Small Finance Bank (Listed Company) b. Protec General Insurance Limited
13.	Membership/ Chairmanship of Committees of the board of other Companies	**Membership/Chairmanship held in Other Companies** **AU Small Finance Bank** 1. Stakeholders Relationship Committee - Member 2. Capital Raising Committee - Member 3. Corporate Social Responsibility Committee - Member 4. Review of classification of Wilful Defaulters Committee - Member
14.	Listed entities from which the person has resigned in the past three years.	Niva Bupa Health Insurance Company Limited

By order of the Board of Directors,
For Home First Finance Company India Limited
Sd/-
Shreyans Bachhawat
Company Secretary & Compliance Officer
Mem No: A26700
Date: June 02, 2025
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



Home First Finance Company India Ltd.

CIN - L65990MH2010PLC240703
Registered Office: 511, Acme Plaza,
Andheri - Kurla Road, Andheri East, Mumbai - 400 059

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