



# Sustainability

Report

# Snapshot

## Financial Capital

₹**5,380**<sub>Crs</sub>

Gross Loan Assets (AUM)

+29.9% y-o-y

₹**596**<sub>Crs</sub>

Total Income

(+ 21.8% y-o-y)

**2.7%**

Opex/Avg Assets

**58.6%**

CRAR

**11.8%**<sup>\*</sup>

RoE

+310 bps

**61,684**

Active Customers

+23.2% y-o-y

₹**251**<sub>Crs</sub>

PPOP

+51.2% y-o-y

₹**174**<sub>Crs</sub><sup>\*</sup>

PAT

+73.8% y-o-y

**3.6%**<sup>\*</sup>

RoA

+110 bps

**A+ Positive (ICRA)**

**AA- Stable (IndRA)**

Credit Rating

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

## Natural Capital

**4,000**

Fruit trees distributed

**1,000**

Herbal trees planted

## Human Capital

**851**

No of employees

**5,288**

Total manhours training

**27%**

Women employees

**52%**

Women at head office

## Social and Relationship Capital

**90%**

Of AUM have woman as a borrower

**19%**

Of AUM have woman Primary applicant

**79**

Net Promoter Score

**12400+**

CSR beneficiaries

**50**

Children benefitted from clubfoot treatment

**44**

Children benefitted from Cleft Lip treatment



## Intellectual Capital

**80%**

Customers registered on App

**95%**

Connectors registered on App

**82%**

Growth in payments via App

**74%**

Service requests raised on App



# Overview by MD & CEO

Dear Stakeholders,

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

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

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

## Strengths enabling business sustainability

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

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

## Focus on ESG

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

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

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

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

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

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

To promote climate resilience, we have launched a project to encourage green homes. Through this project we plan to raise awareness on the usage of eco-friendly materials and

raise awareness on the usage of eco-friendly materials for building homes. Further, we are in the process of developing a calculator to determine the green evaluation mechanism for individual housing units.

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

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

Governance is a major component for solid foundation of a housing finance company. Transparency, accountability and integrity are the three pillars of a strong corporate governance framework. During the year, we further enhanced our board with Independent Directors coming from diverse backgrounds. We have Geeta Dutta Goel

(Country Director Michael & Susan Dell Foundation), Anuj Srivastava (Co-Founder – LivSpace) and Sucharita Mukherjee (Co-founder, whole-time director and CEO of Kaleidofin) joining HomeFirst as Independent Directors. I am sure that HomeFirst will immensely benefit from their experience on important aspects of our business such as technology, risk management, social impact, funding sources etc.

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

## Closing Remarks

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

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

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

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

# How We Create Value

## Inputs

### Financial Capital

Equity  
Assets  
Borrowings  
Diversified Lenders Base  
Cost of Funds

### Natural Capital

Green Initiatives

### Human Capital

Employees  
Learning & Development  
Employee Engagement  
Young workforce

### Social & Relationship Capital

Livelihood Creation  
Financial Inclusion  
Customer Engagement  
CSR Initiatives

### Intellectual Capital

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

## Value Creation Approach

### External Environment

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

Swift

Values

Transparent

Unconventional

### Value Enablers

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

## Outputs

### Financial Capital

**29.9%** AUM Growth  
**21.26** EPS  
**3.6%** ROA  
**11.8%** ROE

### Natural Capital

**4,000** Fruit Trees Distributed  
**1,000** Herbal Trees Planted

### Human Capital

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

### Social & Relationship Capital

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

### Intellectual Capital

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

## Outcomes

### Customers

Higher Customer Satisfaction  
Improved Customer Experience  
Enabling Home Ownership  
Financial Inclusion

### Employees

Inclusive, Diverse and Safe Working Environment  
Motivated Employees

### Regulators & Government

Strong Governance Framework  
Compliance  
License to Operate

### Society

Enhanced community development

### Investors And Shareholders

Profitability of the Company  
Sustainable Business and Growth  
Strong Brand Value

## SDGs





# Ethics and Governance



**8 out of 9**

Directors are non-executive

(as of Mar'22)



**4 out of 9**

Directors are Independent

(as of Mar'22)



**2 out of 9**

Directors are Women

(as of Mar'22)

Strong governance is a fundamental pillar for a sustainable business. Transparency, accountability and integrity are the three pillars of a strong corporate governance framework. The Board of Directors are at the helm of decision making and exercise good control

while the management team supports the board with the execution. HomeFirst's corporate governance framework is designed with a sharp focus on adopting best and suitable business practices within the evolving regulatory framework.

## Corporate Governance Structure

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



# Ethics and Governance

## Independence Declaration

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

## Board Composition

In line with best practices, the Nomination and Remuneration Committee reviews and selects the candidates for the Board in line with applicable law. The Nomination and Remuneration Committee had laid

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

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

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

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

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

## Board Effectiveness And Performance

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

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

# Ethics and Governance

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

Non-Independent Directors a separate meeting of Independent Directors was convened.

## Board Experience and Expertise

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

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

# Ethics and Governance

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

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

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

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

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

## Board Committees

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

The various Board Committees in place are:

### Audit Committee

The primary objective of the Audit Committee is to review financial statements, recommend the

appointment, remuneration and terms of appointment of the statutory auditor of the Company, review the effectiveness of internal control, discuss and note the internal audit reports amongst other objectives.

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



# Ethics and Governance

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

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

## Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee has been constituted by the Company in terms of the provisions of Section 178 of the Act and Regulation 19

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

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

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

## Stakeholder Relationship Committee

The primary responsibility of the Stakeholder Relationship Committee is to consider and redress the grievances of security holders, ensure proper and timely redressal of investor queries as well as review measures taken for effective exercise of voting rights

by shareholders. The Committee also monitors any changes to the Shareholding Patterns of the Company. The Board had constituted the Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations.

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

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

## Corporate Social Responsibility Committee

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

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

# Ethics and Governance

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

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

## Risk Management Committee

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

The Risk Management Committee has been constituted in accordance with Regulation 21 read with

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

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

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

## Other Management Committees:

### Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee is led by the MD & CEO and senior officials of the Company and

functions under the supervision of the Board of Directors. The Committee is responsible for keeping a watch on the asset liability gaps, if any. ALCO lays down policies and thresholds and limits relating to assets and liabilities.

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

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

## IT Strategy Committee

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

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

# Ethics and Governance

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

## ESG Execution Team

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

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

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

## Policies

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

- Code of Conduct for the Board of Directors and the Senior Management Personnel
- Related Party Transactions Policy
- Vigil Mechanism and Whistle Blower Policy
- Code of Conduct for Prohibition of Insider

Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

- Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Anti-Corruption & Anti-Bribery Policy
- ESG Policy
- Customer Grievance Policy
- Fair Practice Code
- Know Your Customer(KYC) and Anti Money Laundering Measures Policy
- Internal Guidelines on Corporate Governance

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

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

## Grievance Redressal For Customers:

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



# Ethics and Governance

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

## Escalation matrix:

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

### a. Level-1

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

### b. Level-2

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

### c. Level 3

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

## Grievance Redressal Officer

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

Email: [complaints@homefirstindia.com](mailto:complaints@homefirstindia.com)

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

## Alternative Remedy:

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

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

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

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

## Grievance Redressal For Investors:

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

Home First Finance Company India  
Mr. Shreyans Bachhawat,  
Company Secretary  
511, Acme Plaza, Andheri Kurla Road,  
Andheri East, Mumbai 400 059  
Email: [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)  
Tel No: [022 6694 0386](tel:02266940386)

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

"SEBI Complaints Redress System":

<https://scores.gov.in>

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

# Fortifying Data Protection and Privacy

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

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

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

## Data Protection & Customer Privacy

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

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

## Customer Consent

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

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

## Data Security:

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

# Fortifying Data Protection and Privacy

- ✔ We have an integrated customer relationship management and loan management system on a dedicated platform, which serves as a single portal for all internal and external customer related interactions. We have agreements with service providers to ensure data security and business continuity.
- ✔ Our applications/servers/LMS/CRM/Database all communicate with each other with the help of APIs which are encrypted using the latest security algorithms. All APIs are IP restricted to prevent DDoS attack (Distributed Denial of Service Attack) and to ensure that the privileged users have access to these APIs. All our applications have gone through VAPT (Vulnerability Assessment and Penetration Testing) and we have received the requisite certification for the same.
- ✔ We use administrative, organizational, technical, and physical security measures to protect the confidentiality, integrity, and availability of the personal information. These measures include technological safeguards and appropriate access controls to data and facilities.

## Data Request Management:

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

As per the Central Government's directives, the lending institutions shall register all information with regards to

security interests created on any asset or property with CERSAI. Such registration is required to be completed within a period not exceeding 30 days from the date of the creation of security interests. In compliance with the same we provide the data pertaining to our secured assets to CERSAI.

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

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

## Employee Training and Awareness:

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

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

## Business Continuity and Disaster Recovery

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



# Stakeholder Engagement

## Stakeholder Group Modes of Engagement Frequency Purpose and Scope



Customers

- Customer satisfaction surveys and feedback
- Interaction at Branches
- Tele banking - Customer Care
- Digital Channels - Customer App, SMS, WhatsApp, Social media platform, Chatbot, Video Call
- Pamphlets
- House Visits/Work Visits

Ongoing

Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have - to provide quality customer service



Employees

- Email communications
- Physical/virtual meetings
- Appraisal Process
- Online Surveys
- Employee Engagement Initiatives
- CRM/LMS Work-flow

Ongoing

- Training and development sessions
- Wellness and counselling sessions
- Employee Welfare Schemes
- Conducting Business



Shareholders / Investors

- Quarterly reports, Annual reports and Press releases
- Investor meets and Annual General Meetings (AGMs), including virtual investor meets and virtual AGMs in the era of COVID-19 pandemic
- Newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/ conferences.

Ongoing

- To stay abreast of developments in the Company
- Compliance
- Economic performance
- Governance and Ethical practices

## Stakeholder Group Modes of Engagement Frequency Purpose and Scope



Regulators, Lenders and Credit Rating Agencies

- Email, one-on-one meetings, concalls, video- conference, mandatory filings with regulators

Ongoing

- Discussions with regard to various regulations and amendments, inspections, approvals



Communities & NGOs

- Community welfare programs
- Project Assessment reviews
- Joint assessment of projects

Ongoing

- Implementation of CSR Initiatives and status of the initiatives undertaken



Research Analysts

- One-on-one meetings, concalls, video-conferences

Ongoing

- Keep abreast of developments of the Company



Channel Partners & Key Partners

- Regular meetings/ mails/ phone calls

Ongoing

- Partnership and business development

# Materiality Assessment

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

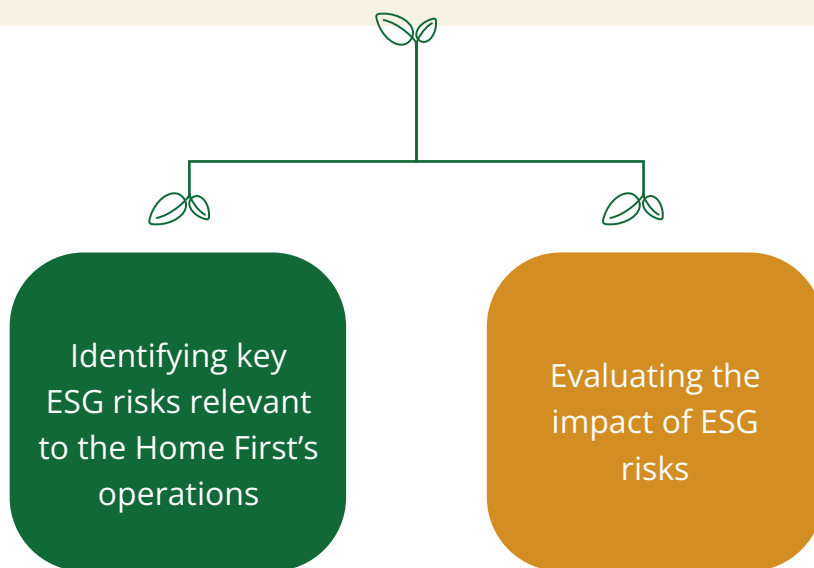
Materiality assessments are the vital starting point, from which one can manage their non- financial risks and opportunities.

The definition of “material aspects” as per Global Reporting Initiative (GRI) include those aspects that reflect an organization’s significant economic,






























environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

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

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



# Materiality Assessment

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

₹ Financial Capital

 Social and Relationship Capital

 Intellectual Capital

 Human Capital

 Natural Capital



# Financial Capital

## Summary

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

Despite challenges over the past couple of years due to Covid disruption, Credit Rating agencies have continued to

reaffirm their belief in our business model by improvement in outlook (by ICRA) from A+ Stable to A+ Positive and "India Ratings" assigning "AA- Stable".

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

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

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

^^Our Gross Stage 3 (GNPA) as at Mar'22 stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.3% (Mar'21: 1.8%).

Our Net Stage 3 (NNPA) as at Mar'22 stands at 1.8% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 0.9% (Mar'21: 1.2%).

## Industry Leading Performance in a challenging environment

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

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

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

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

✔ Maintained cumulatively positive ALM gaps and high liquidity in stress scenarios.

✔ Favourable interest rate environment and our treasury efforts led to a reduction in cost of borrowings and further focussed on building a strong liability franchise.

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

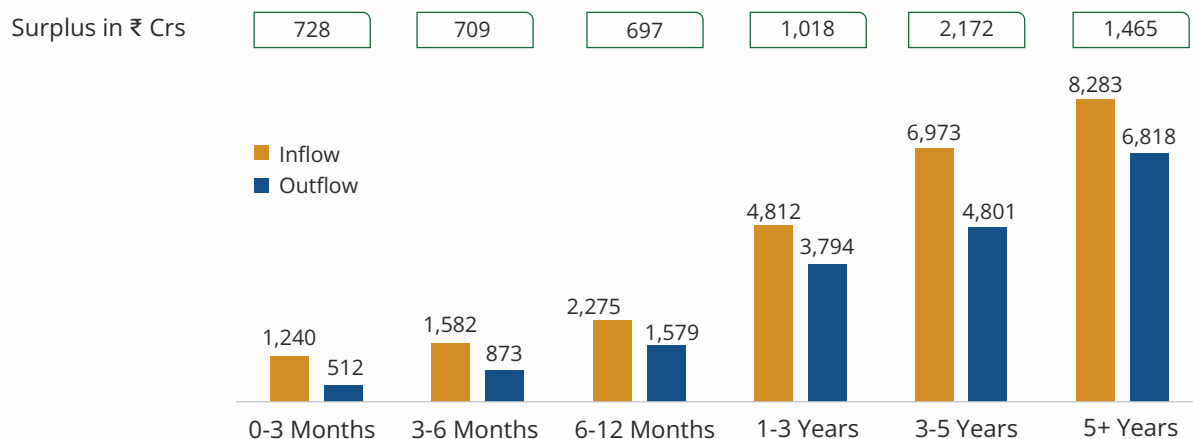
# Financial Capital

## Prudent Asset Liability Management

ALM framework at HomeFirst involves measuring, monitoring and managing liquidity and interest rate risks and is closely aligned to the Company's business strategy and risk management. HomeFirst has built a strong ALM

framework by maintaining cumulative positive liquidity gaps in all buckets. HomeFirst is compliant with LCR requirements. Company remains prudent and holds liquidity of ₹1,063 Crs (₹ 1,063 Crs includes Undrawn bank lines of ₹ 437 Crs) as of Mar'22.

### ALM Position (as of Mar'22)



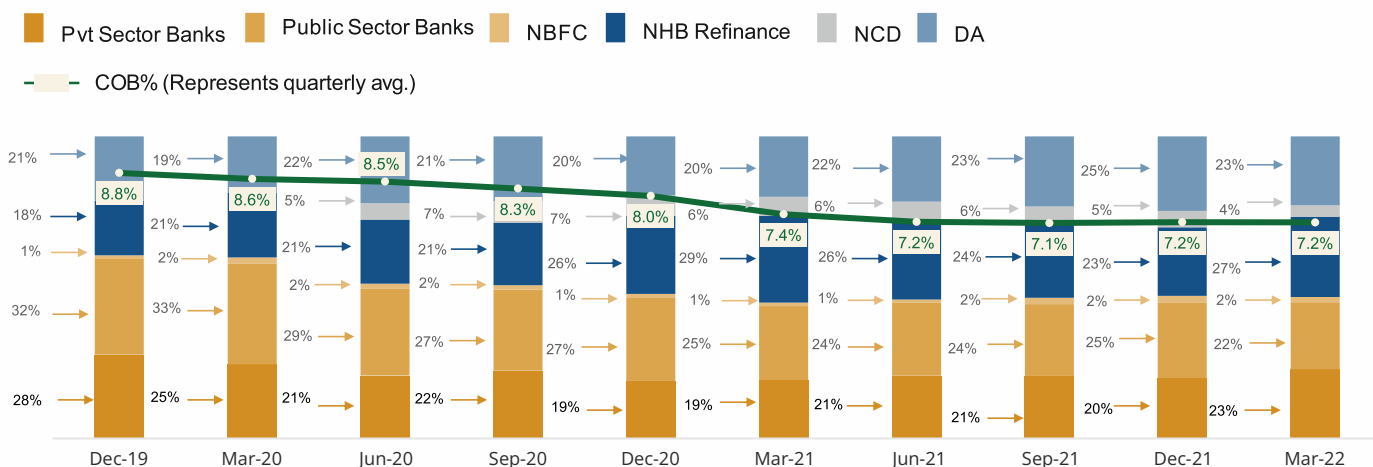
## Robust Liability Management

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

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

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

### Borrowings Mix and Cost of Borrowing Trend



# Financial Capital

## Balance Sheet

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

## Provisioning

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

Despite challenging times, asset quality improved. Our Gross Stage 3 (GNPA) stands at 2.3% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at

1.3% (Mar'21: 1.8%). The Company is still carrying ₹47.8 Crs of provisions. The PCR (Provision Coverage Ratio) is stable at 47.1% as at Mar'22 (pre-RBI circular: 83.6%).

## Credit Rating

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

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



# Natural Capital

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

At the present moment, green buildings only constitute 2% of the total new constructions in our country. The end-users

in the affordable segment lack awareness and are very price sensitive in nature. The general misconception around the matter is the belief that green buildings and environmentally sustainable housing are only an issue for the rich and wealthy since it is expensive. However, our research revealed that this could not be farther from the truth.

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

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

## What Makes a Home Green Home?



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



Use of energy efficient lighting, cooling systems and other appliances



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



Provision of natural light, ventilation and protection from heat



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



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

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

Source: Fortune India

# Natural Capital

## Journey So Far



Q1

Understanding the problem;  
Internal research and field work

Understanding green  
evaluation and certification.

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



Q2

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

Further development  
of green calculator



Q3

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

Pilot study in Bangalore



Q4

Proof of concept  
established

Sample impact  
reports created

Started building  
a green roadmap

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

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

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

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

# Natural Capital

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

Lastly, not only within our operations, we are also promoting environmental sustainability in our society. Recently, we created a Herbal Garden with 1,000 herbal plants in Palghar district of Maharashtra and distributed 4,000 fruit tree saplings to farmers from the marginal community. This will

not only help create a new source of income for these marginalized families and tribal communities but also off set some carbon footprints. All branches of HomeFirst use jute bags and other recycled products for any documentation, gifting or storage purposes internal or external. As we scale up the interventions to reduce our carbon footprint we hope to inspire other organisations.

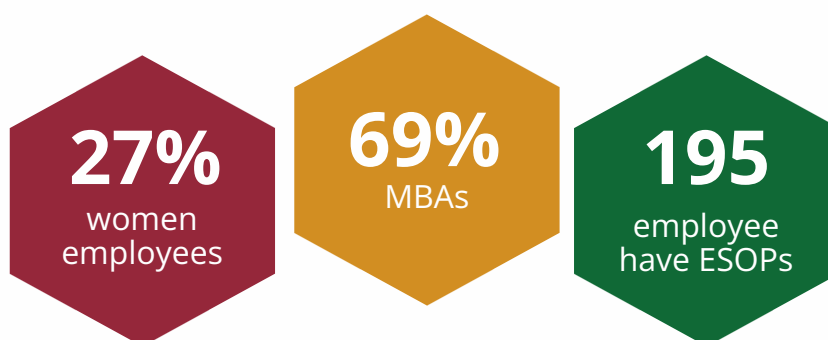


# Human Capital

HomeFirst understands and acknowledges that human capital is an important business enabler and an important asset for the company. HomeFirst understands the importance of workplace culture and creating an environment for employees to grow and thrive. Our culture empowers employees to be agile,

learn and develop skills and achieve their full potential. We have an entrepreneurial organisation culture that drives innovation – this in turn promotes high employee & customer satisfaction. We have been Certified as “Great Place To Work” by GPTW Institute for 2 successive years.

## Differentiated people strategy



### Culture

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

### Career

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

### Compensation

High degree of employee ownership - **195 employees have ESOPs**

## Diverse Workforce

We primarily employ people who have obtained their engineering or management degrees and we hire them directly from campuses instead of hiring them from other organizations. Further, we also hire management trainees in the organization to provide them a platform for their first step into the corporate world. We are an equal opportunity organization. We are committed to a policy of treating all its employees and job applicants equally. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression. We practice equal pay for equal work and

do not discriminate on the basis gender or any other factor. As of Mar'22, approximately 69.1% of our employees had obtained a post-graduation in business administration or management and approximately 32.0% had a bachelor in technology degree or a bachelor in engineering degree. We are a young and diverse organization with a median age of 26.50 years, and approximately 27.4% of all of our employees are women. 51.7% of our employees at head-office are women, as of Mar'22. Our hiring and training procedures have helped us achieve superior employee productivity with an average disbursement of ₹2.6 Crs per employee for the financial year 2022 (compared to ₹ 1.6 Crs per employee for the financial year 2021) and resulted in a consistent improvement in disbursement per employee, while maintaining asset quality.

# Human Capital

**851**

No. of employees

Gender Representation

**27%**

Women employees

**52%**

Women at head office

**20%**

Women in senior management

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

## Training & Development

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

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

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

Human capital development is one of the key focus areas for us and we strive to upskill the employees by providing them functional, behavioural and other types of trainings. The different types of functional trainings conducted include property, credit, disbursal, collection. We also provide training on interpersonal skills, grooming and etiquette as well as on leading teams. Areas such as code of conduct, different policies of the company and information security are

## Ratio of basic salary and remuneration of women to men

<b>Management</b>		1.08
<b>Non-Management</b>		
Branch	Sales	0.99
	Service	1.51
HO	L0 - L2	0.91
	L3 - L4	0.77
	L5	-

also covered in our training programs. During the year, 392 manhours of six sigma training was provided to eligible employees. We have also framed leadership development training program for employees at managerial levels. Further, all employees undergo career development discussions and performance appraisal.

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

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

# Human Capital

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

## Talent Retention

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

The various benefits such as health insurance, group accident insurance, maternity benefits and paternity benefits are provided to the employees. Further, for

employees who have completed 5 years with HomeFirst they are inducted into the 5VY league and are eligible to enjoy a pool of perks and benefits.

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

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

## Attrition Rate (Age and Gender-wise)

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

## Attrition Mix (Vintage and Gender wise)

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

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



# Human Capital

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

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

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

## Employee Wellbeing & Benefits

HomeFirst is committed to employee safety and wellbeing. During the pandemic, treatment expenses during home quarantine for employees and their family members was covered by the company. Further, the Company has Group Personal Accident Insurance Policy and Group Health Insurance Policy for the employees. The Company also offers to cover the medical expenses, as applicable. In case of death of the employee who had ESOPs, the ESOPs immediately vest with the nominee of such an employee. The employees

are given HomeFirst Lyf Culture Book at the time of code of conduct training. The Culture book provides the employees an overview of all their eligible employee benefits. During the year, we introduced the option for employees to invest in National Pension System (NPS). We introduced the option in Jan'22 and by Mar'22, 8 employees already availed the option to invest in the scheme (1 female and 7 males).

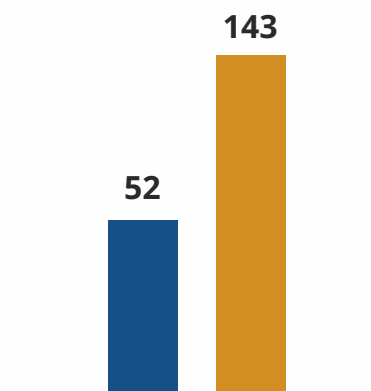
% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits	
Category	Total	Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)
Male	618	618	100	618	100	NA	NA	618	100
Female	233	233	100	233	100	233	100	NA	NA
Total	851	851	100	851	100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

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



## Number of Active Employees holding ESOPs

- Female
- Male



# Human Capital

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

## Maternity leave:

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

## Paternity Leave:

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

## Adoption Leave:

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

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

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

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

## Employee Engagement Programs

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

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



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



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

# Human Capital

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



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

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

## Promoting Human Rights & Non-discrimination

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

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

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



# Social and Relationship Capital

## CSR Activities

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

Every year hundreds of thousands of workers migrate to urban areas in search of employment opportunities to give

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

## What we have done

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

*The community engagement process involves:*



Since some of them are long-term projects, we have broken them down into phases. Post completion of each phase, the NGOs submit their impact reports. In case of any grievances, the beneficiaries can walk into the community centres

created in collaboration with the NGOs. Let us take you through the details of our CSR projects including our flagship projects.

## Flagship Project 1 Project Sashakt

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

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

From the survey of 1000 families, we selected 500 most vulnerable families for intervention. Unique identifiers were given to each family in order to facilitate tracking of benefits and progress made over a period of time. Project Sashakt aims to uplift the health and socio-economic status of these families over a period of time. Health check-up camps and

covid vaccination drives were organized. Doctors at the camps checked the children for basic diseases and deficiencies and the elderly for BP and diabetes. With malnourishment being a common observation, nutrition kits were distributed to children and pregnant women. This free health check-up camp has since been made a weekly event for all families along with free medicine distribution. We have enrolled 120 individuals to learn new skills. Including GST - Tally courses, tailoring, and beautician therapy. Also, helped open 80 Sukanya Smabridhi Yojna accounts.

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





# Social and Relationship Capital

## Flagship Project 2

### Mahila Shram Shakti Kendra

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

lives, lack of job skills, and awareness seemed to be the main pain points. So, we set up 3 multipurpose centres exclusively for women workers called “Mahila Shram Shakti Kendra”.

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

enrolled to learn masonry, and plumbing in the construction field as well as skills like tailoring in non-construction fields were imparted to these women.

To bring more awareness around various government social security schemes in this community, we started registering women-construction workers with Buildings and Other Construction Workers welfare board (BOCW) on e-nirman portal and registered them for insurance and health schemes. Also, workshops on financial literacy were

carried out, where we helped them open a bank account, and a Jandhan account and taught them how to handle their cheque books, passbooks and how to use an ATM. Next, we launched a series of health and nutrition workshops. We started off by linking our MSSK with ICDS (Integrated Child Development Services) centres. This helped us provide primary and universal healthcare to teenage girls, lactating mothers and their children. Then, we facilitated regular access to food and nutrition, iron tablets and timely vaccinations at our MSSKs. A workshop



on family planning and female hygiene was also held to build awareness of reproductive health along with valuable information on Ante-natal and Post-natal Care. In the last financial year, we have conducted 31 awareness meetings helping 650+ women.

Another important initiative was to impart legal awareness and aid among the women labourers. Following our

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





# Social and Relationship Capital

## Other Projects

### Workplace Safety

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



### Going Green

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





# Social and Relationship Capital

## Healthcare Initiatives

### Financial support for medical surgeries

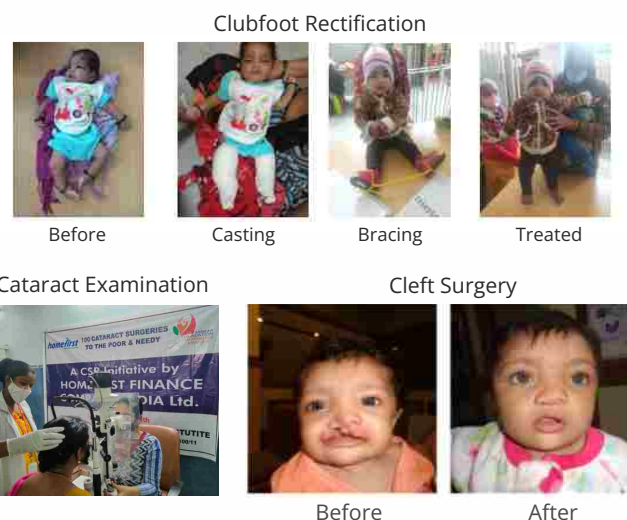
We sponsored cleft lip surgeries and clubfoot rectifications for close to 100 children. At Vizag, 100 cataract cure surgeries were also sponsored in association with Shankar Netralay Foundation to help the elderly get their vision back.

### Capacity Building and Covid Care

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

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

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



# Social and Relationship Capital

## Customer Centricity

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

### Process

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

### Our Approach

We believe that we play a key role in overall Financial Inclusion by facilitating access to organised loans for affordable homes and empower buyers from the EWS & LIG segment, who account for 75%+ of our book. Also, around 90% of our loans have Woman Borrowers

(either as main applicant or co-applicant). Till date, we have helped 28,368 customers to claim PMAY subsidy. We have received ₹703.8 Crs till date as PMAY subsidy that has been credited to customers' account to reduce their loan amount.

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

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

## Our Differentiators

### Single Point of Contact

across the journey of the loan

01

### No Physical Documents

required from lead to approval stage

02

### Service at Home

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

03

### Customized Loan

"We See You, Not Your Documents"

04

### Approval in 48 hrs

Fastest turnaround in the industry

05

### No Hidden Charges

One time fixed charges

06

### Easy Prepayment

Zero prepayment charges

07

### Consent Call Before Disbursal

Disbursal only with customer permission

08

### Mobile App

Full feature app with prepayment option

09

### Multiple Electronic Payment Modes

Ease of making payment via multiple payment methods

10

# Social and Relationship Capital

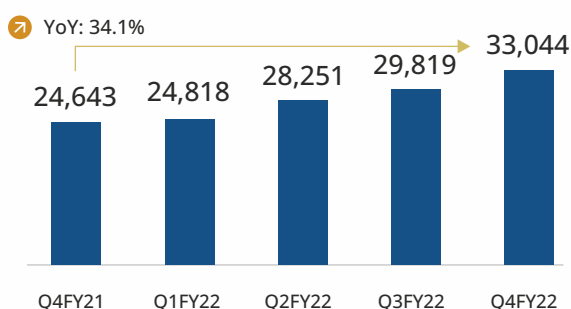
Some of our customer friendly features are worth highlighting:

## 1. Product Feature - Auto Prepay:

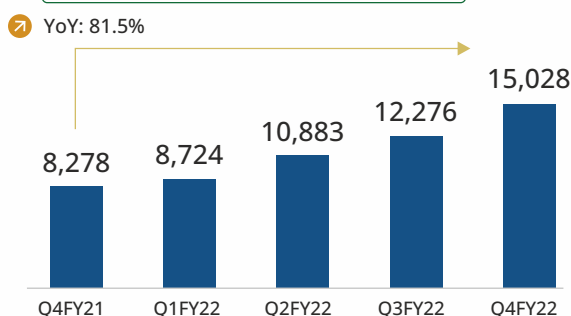
This is a small, monthly pre-payment option. Starts from as low as ₹500/- a month and comes with a flexibility to not pay if one chooses to. The facility is given for free, to all our customers through our auto-prepay feature on the mobile application. Auto-prepay gets its name from its auto-debit functionality, where customers can set their monthly pre-payment amount that would be deducted from their bank account. This feature was introduced with the objective of 'nudging' customers towards prudent financial planning by facilitating the process of pre-paying their loan. We

## Digital Dashboard

### App logins



### No of Payments Via Customer App



## Customer Awareness

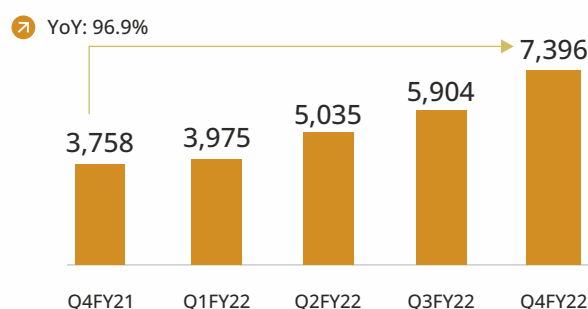
We maintain high levels of transparency in all our interactions with customers across every channel. When we meet our customers in person at the branches, we conduct mandatory counselling sessions to educate them about the loan. All the key terms of the

also provide easy balance transfer options with no pre-payment charges for our housing loan customers.

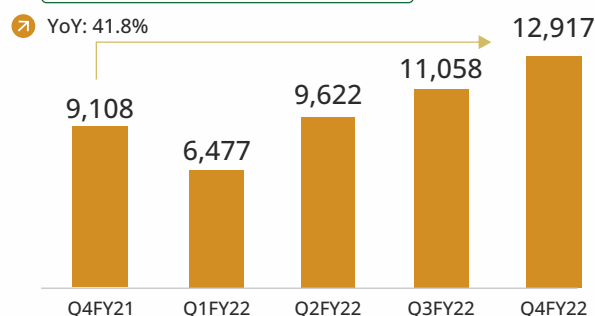
## 2. Customer Experience - Customer App:

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

### Unique Users Making Payment Via App



### Service requests raised on app



loan agreements, charges, fees etc are all explained in detail. The counselling is usually conducted in a language which the customer is most comfortable in, to ensure that the customer has good understanding of the terms and conditions and the product details. Awareness is also created around being tech smart.



# Social and Relationship Capital

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

## Customer Engagement Activities

We aim to maintain high levels of customer service and we have mapped each customer to a dedicated service manager and a relationship manager. We send regular updates to customers on the status of their loan applications and remind them of their payment

schedules through automated calls and text messages. We undertake various activities in order to engage with our customers from time to time. We send birthday wishes, season's greetings, etc. We also have a Customer Grievance Redressal Mechanism in place to address the concerns of the customers in a professional and timely manner.

## Response

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

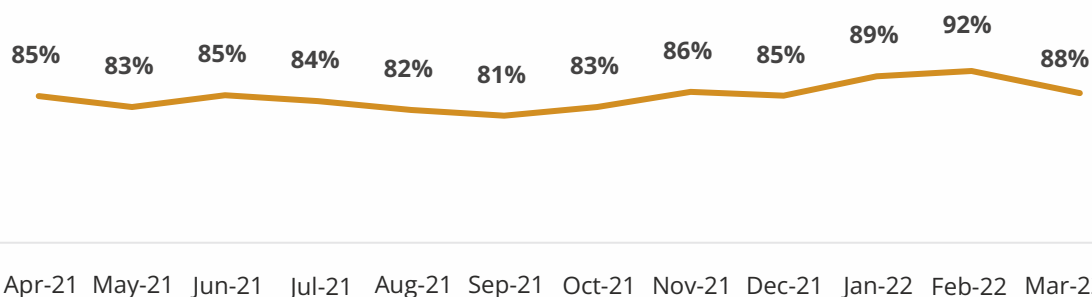


## Our superior customer service is reflected in the below statistics:

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

# Social and Relationship Capital

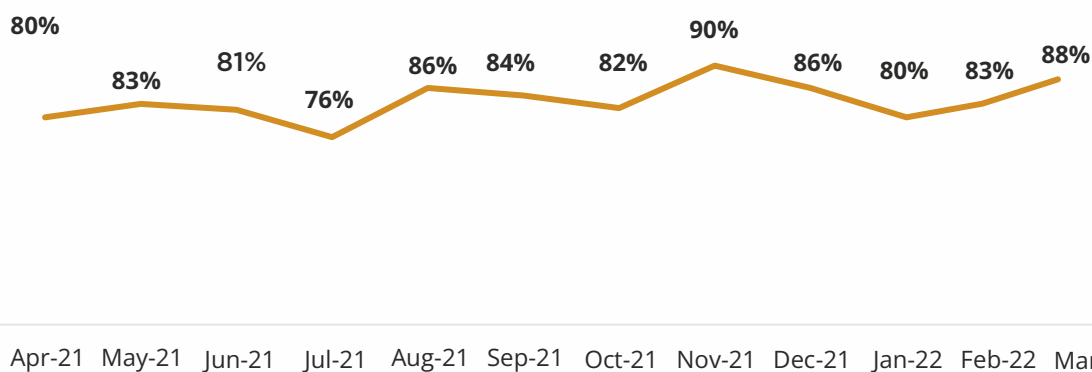
## Queries Resolved Within TAT (%)



Queries Resolved Within TAT

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

## Complaints Resolved Within TAT (%)



Complaints Resolved Within TAT

*TAT defined as within 7 working days for complaints*

# Intellectual Capital

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

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



**Digitally Agreement Signing**  
(16% in 12M)



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



**NACH Mandates**  
( 38% in 12M)

## Credit Approval and Disbursement

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

### Initial Screening and Pre-Sanction Check

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

### Customer Credit Underwriting

Our centralized underwriting team is assisted by data-science backed customer-scoring model to evaluate a customer's ability to repay the loan and maintain consistency

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

### Property Underwriting and Disbursement Process

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



# Intellectual Capital

## Loan Collection and Monitoring

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

## Tech in sourcing:

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

## Tech in loan processing:

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

## Tech in underwriting:

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

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

## Tech in collections:

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

## Mobility solutions:

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

# Intellectual Capital

## New Digital Initiatives:

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

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

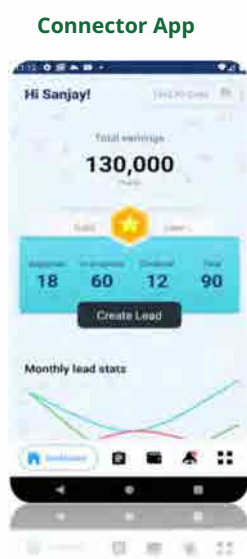
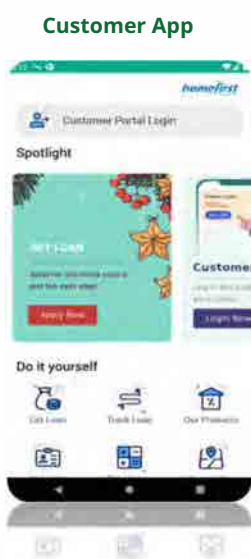
**b. E-Sign:** We have launched systems for Aadhar based E-signature of loan documents,. We believe that over time this will result in savings on printing, storage and transaction costs.

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

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

**e. Biometric authentication on Customer App**

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



## Google Ratings

**4.2**



**Homefirst Customer App**

As of 17 Apr'22

**4.6**



**Homefirst Connect App**

As of 17 Apr'22

**4.7**



**Homefirst RM Pro App**

As of 17 Apr'22

## Tech in Risk Management

Risk management is integral to our operations – be it financial or non-financial risks. We have a risk management framework in place to identify, manage and mitigate the risks faced across various business operations. Our risk management initiatives include obtaining a better understanding of the geographies we are based in, optimising tech usage in underwriting the loans and deploying initiatives for an efficient and effective collections system. Our customer relationship management and loan origination system is integrated with our loan management system, which is set up on a leading cloud-based platform. Tie-ups with third-party aggregators assist in taking more

efficient underwriting decisions. This helps mitigate credit risks. The bounce predictor enables us to take early steps to predict potential defaults. We also have an IT Policy in place which sets out processes and controls to mitigate the IT risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure. We have a well-established IT infrastructure that ensures performance stability and flexibility as well as IT security. The loan processing applications of the company are built on a globally recognized platform with low downtime and low security risk.