

HFFCIL/BSE/NSE/EQ/39/2022-23

Date: 10-06-2022

To, <b>BSE Limited,</b> Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Scrip Code- <b>543259</b>	To, <b>The National Stock Exchange of India Limited,</b> The Listing Department, Bandra Kurla Complex, Mumbai- 400 051. Scrip Symbol- <b>HOMEFIRST</b>
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**Sub: Presentation by the Managing Director and CEO the 13th Annual General Meeting of the Members of Home First Finance Company India Limited ('the Company') held on Friday, June 10, 2022.**

Dear Sir/Madam,

Please find enclosed herewith the presentation given by Mr. Manoj Viswanathan (Managing Director and Chief Executive Officer) at the 13th Annual General Meeting of the Company held on Friday, June 10, 2022 at 02.00 P.M. held through Video Conferencing ("VC") or other Audio-Visual means ("OAVM").

We request you to kindly take the aforesaid on record.

For **Home First Finance Company India Limited**

**Shreyans Bachhawat**  
**Company Secretary and Compliance Officer**  
**ACS NO: 26700**



# 13<sup>th</sup> Annual General Meeting - Financial Year 2022

## Presentation by Manoj Viswanathan, MD & CEO

Tech in Mind. Service at Heart.

*Smart Loans for Affordable Homes!*

10<sup>th</sup> June, 2022

## Agenda

Who We Are

FY22 Executive Summary

Opportunity & Drivers

Strategic Priorities

- *Tech In Mind*

- *Scale & Growth*

- *Operational Efficiency*

- *Funding*

- *Risk Management*

- *ESG*

Management

Board



## HomeFirst – Who we are

- Technology driven affordable housing finance company with pan India presence
- Home loans to first time home buyers with predominant focus on salaried individuals having income < ₹50k p.m
- 91% of book comprise of housing loans with average ticket size of ₹1.05Mn
- Strong liquidity pipeline with positive ALM and zero commercial papers
- Data science backed centralized underwriting with in-depth understanding of local property markets



80 | 13 | 98 | 200  
Branches | States/UT | Districts | Touchpoints

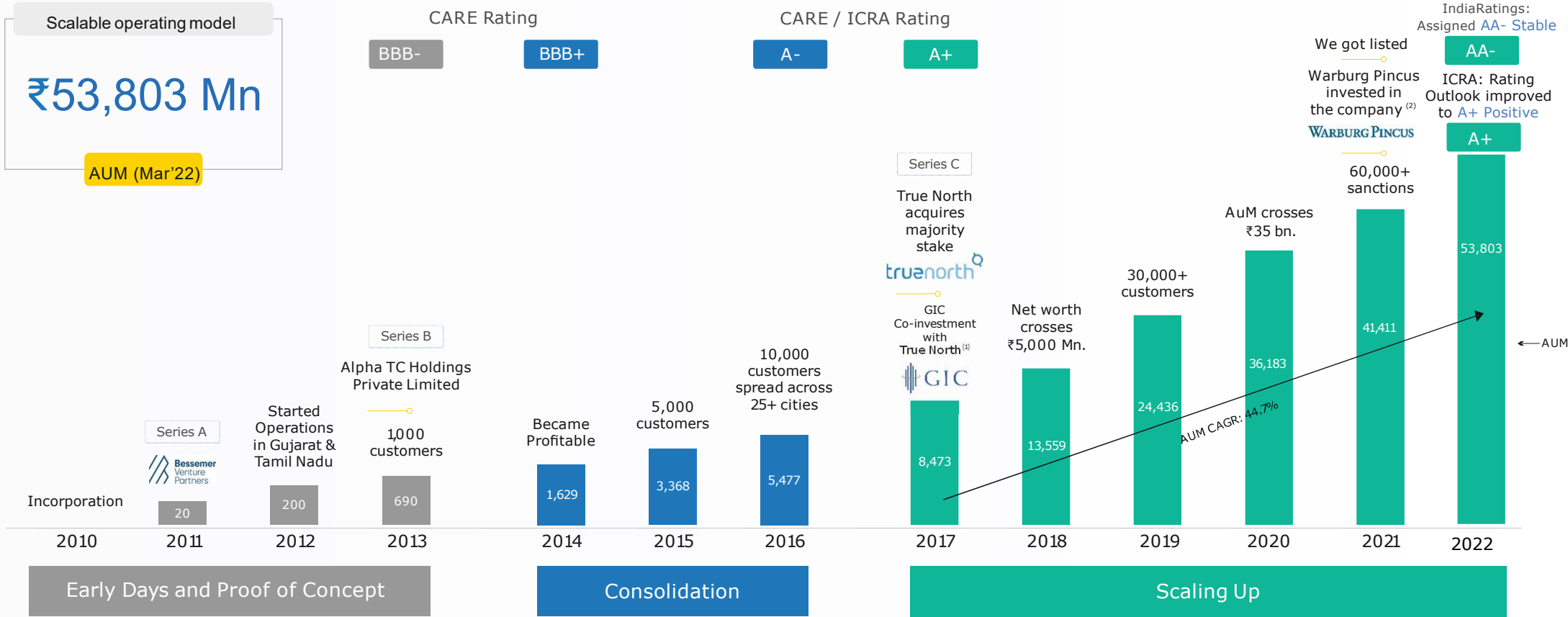
61,684  
Active customer accounts

72% salaried  
Occupation Mix of AUM (FY22)

₹10,625 Mn  
Liquidity Buffer as on Mar'22

851  
Number of employees (FY22)

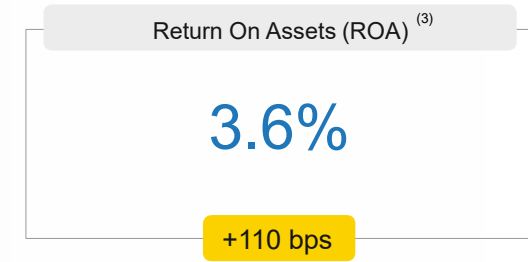
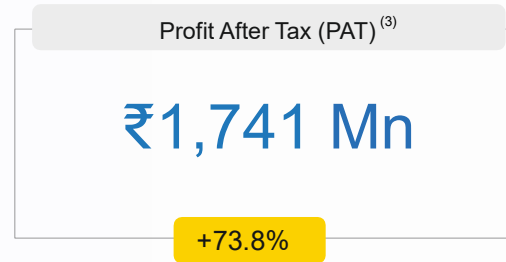
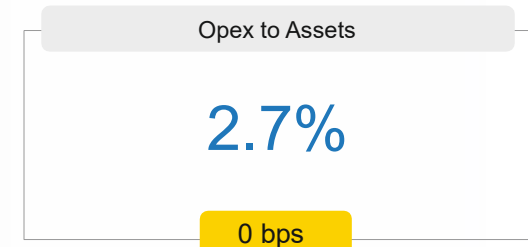
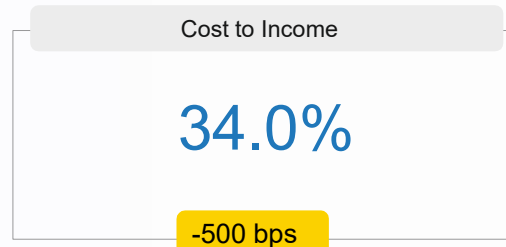
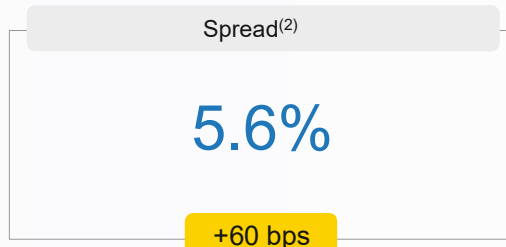
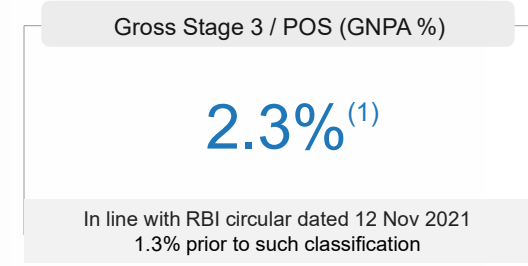
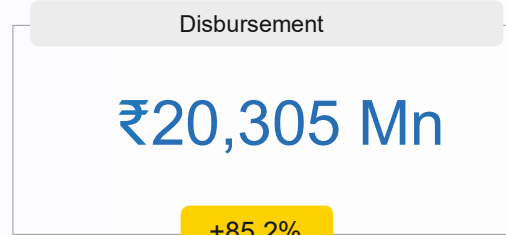
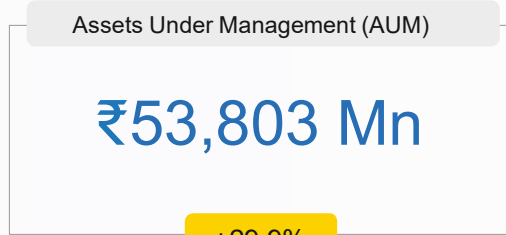
# Our Journey



Note: AUM in INR Million

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

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

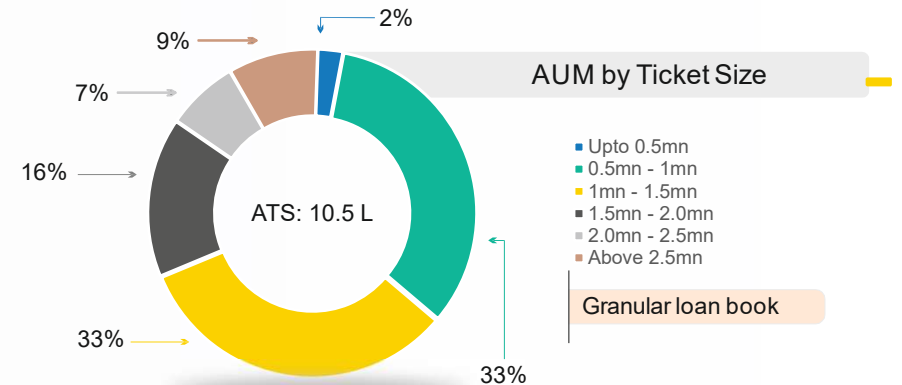
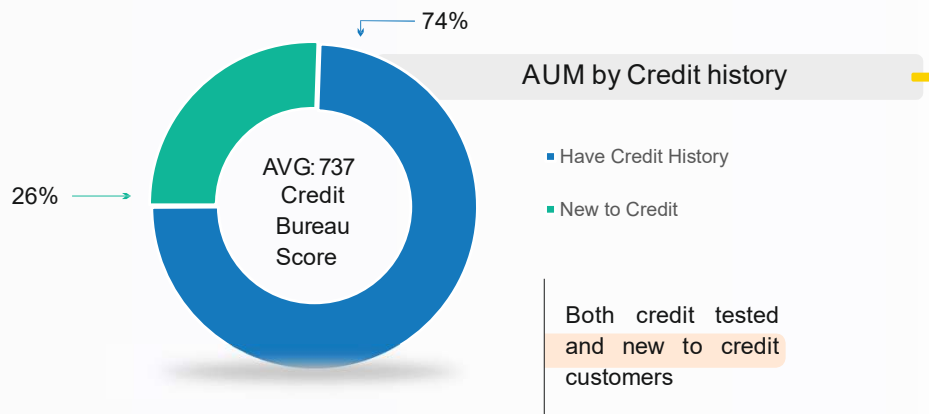
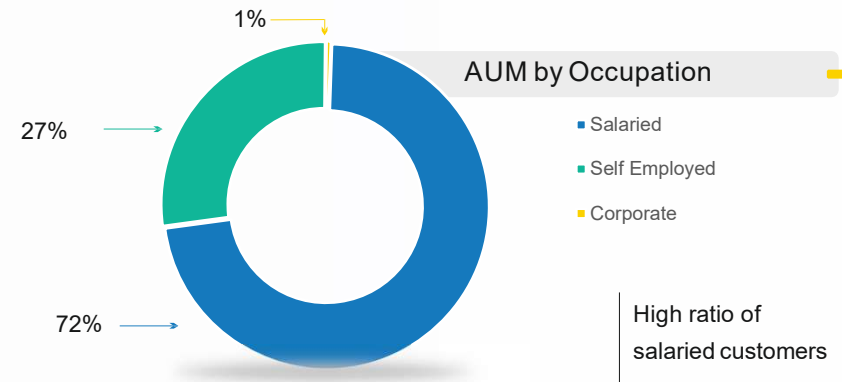
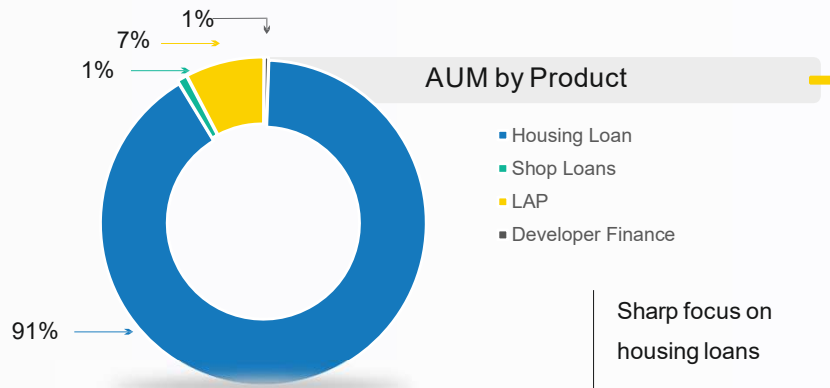


(1) Pursuant to the RBI circular dated 12 Nov 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company has aligned its definition of default and taken steps to comply with the norms/ changes for regulatory reporting, as applicable. Such alignment has resulted in classification of loans amounting to ₹444.05 millions as Gross Stage 3 (GNPA) as at Mar'22 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Mar'22 is 1.3%.

(2) As per IGAAP

(3) YoY growth in PAT and RoA computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment

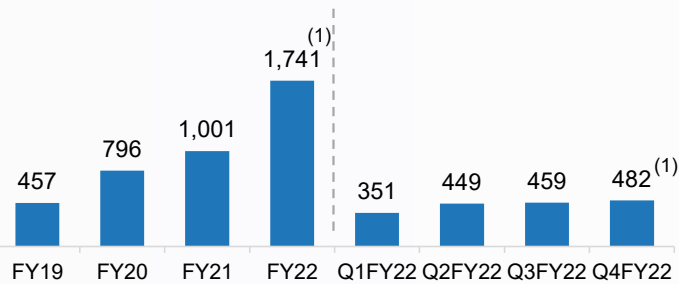
## Consistent Portfolio Metrics | Mar'22



All figures as of Mar'22

## Financial Highlights

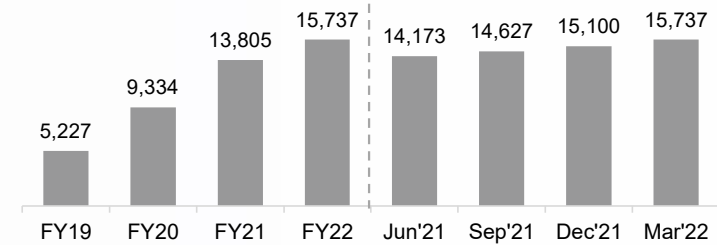
### Profit After Tax ( ₹Mn )



Strong profit growth despite maintaining high liquidity and conservative COVID provisioning

### Net worth ( ₹Mn )

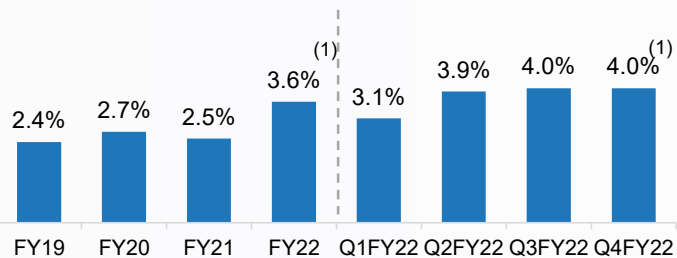
Equity Raised ( ₹Mn )



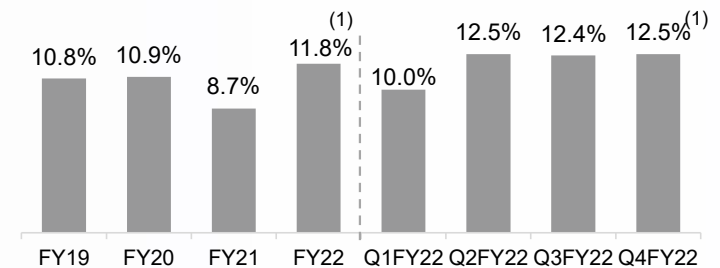
Robust NW to support growth

### Return on Average Assets

A / E



### Return on Average Equity

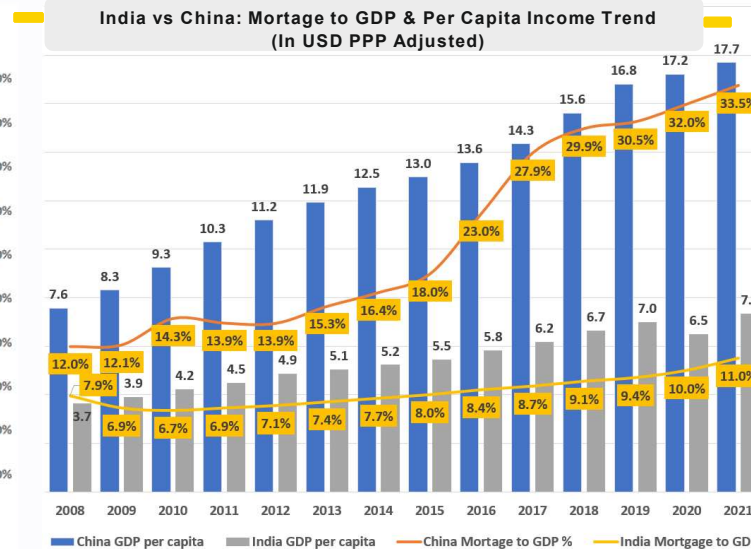
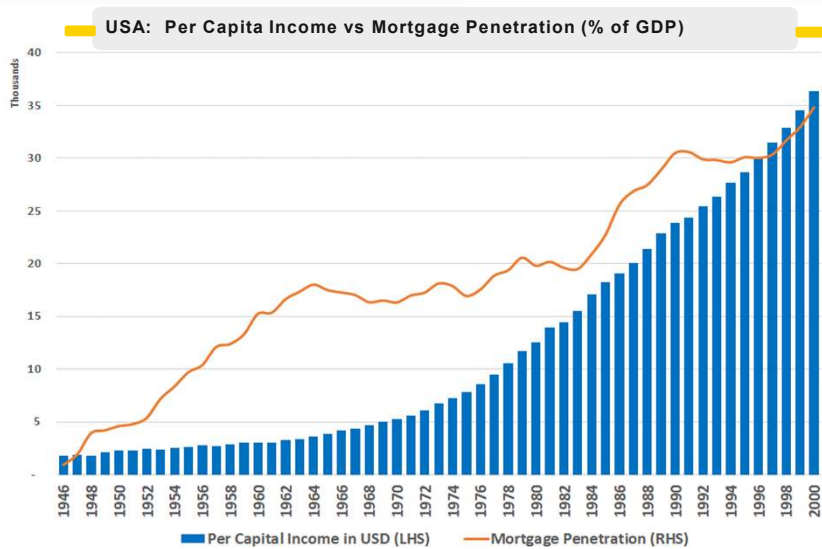




# Opportunity & Growth Drivers

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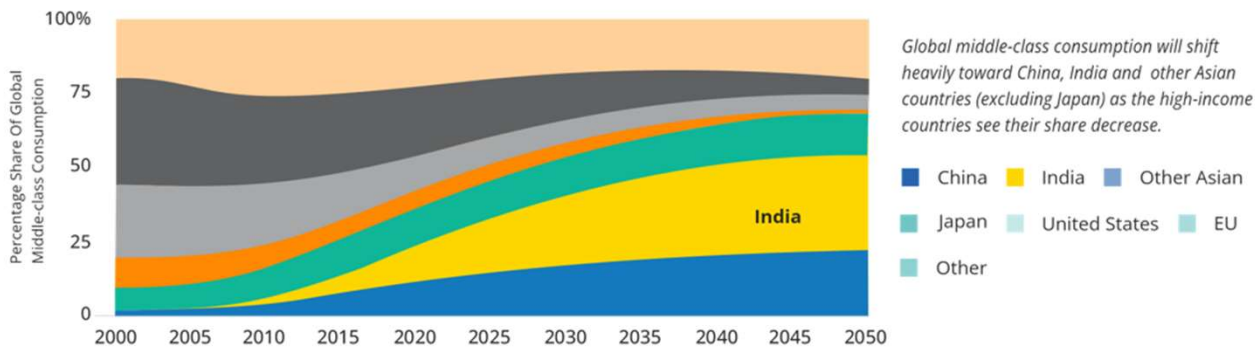




- Housing demand goes hand in hand with per-capita income. India's house ownership lower vis-à-vis global peers.
- India's Mortgage to GDP penetration is trailing that of China. China has reached 33.5% vis-à-vis India's 11% in 2021.

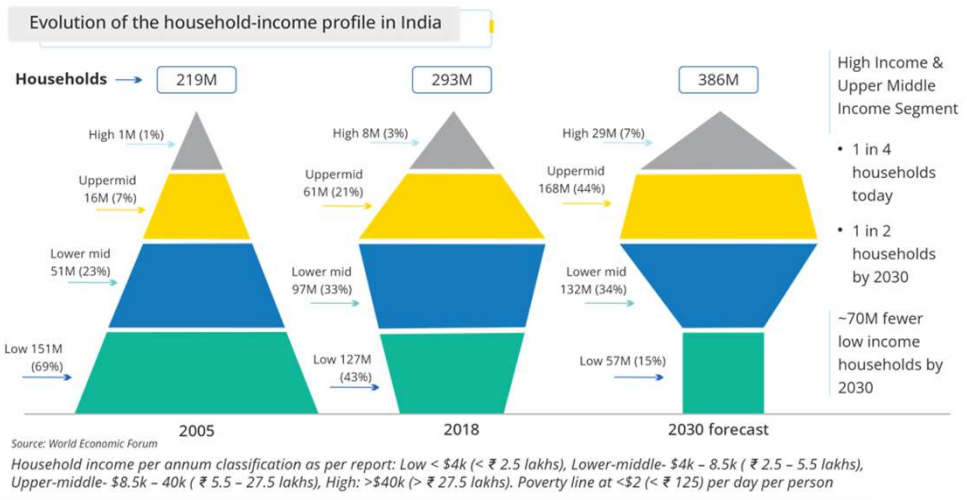
## Increasing Middle Class Population

### The Global Middle-class Wave



Source: World Economic Forum

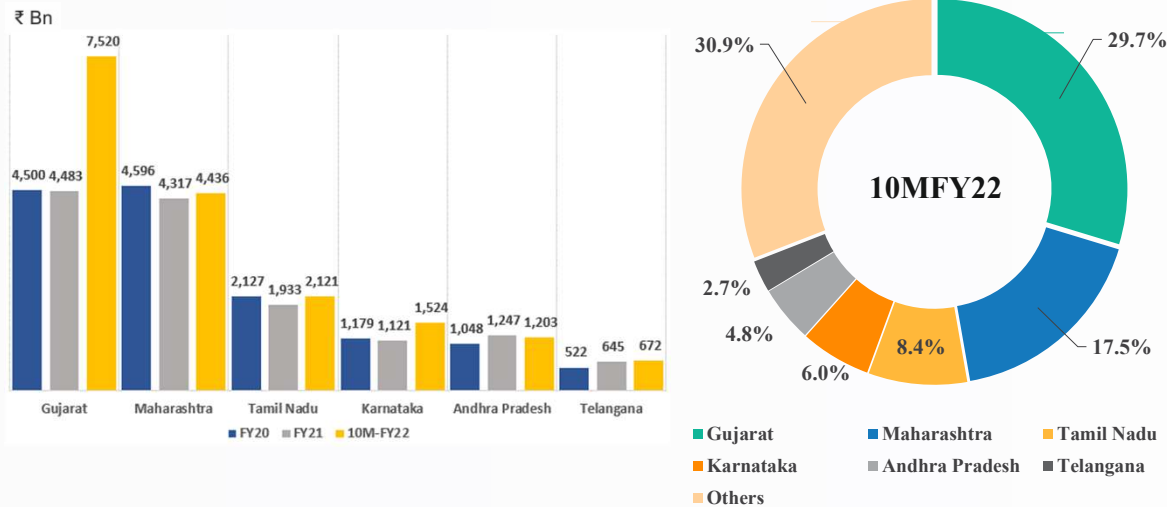
- India to be the largest Middle class population globally by 2050.
- Rising Middle Class households big driver of housing demand in India.
- Lower Middle Income households (HomeFirst target segment) will increase from 97 Mn (2018) to 132 Mn in 2030
- Pyramid structure of middle class households today will turn in to a diamond in 2030.



## Rising Exports

- India's Merchandise Exports at all time high, crossed USD 400 Bn for the first time.
- HomeFirst's presence in States having high export share in overall India exports.

Exports of 6 Specific States

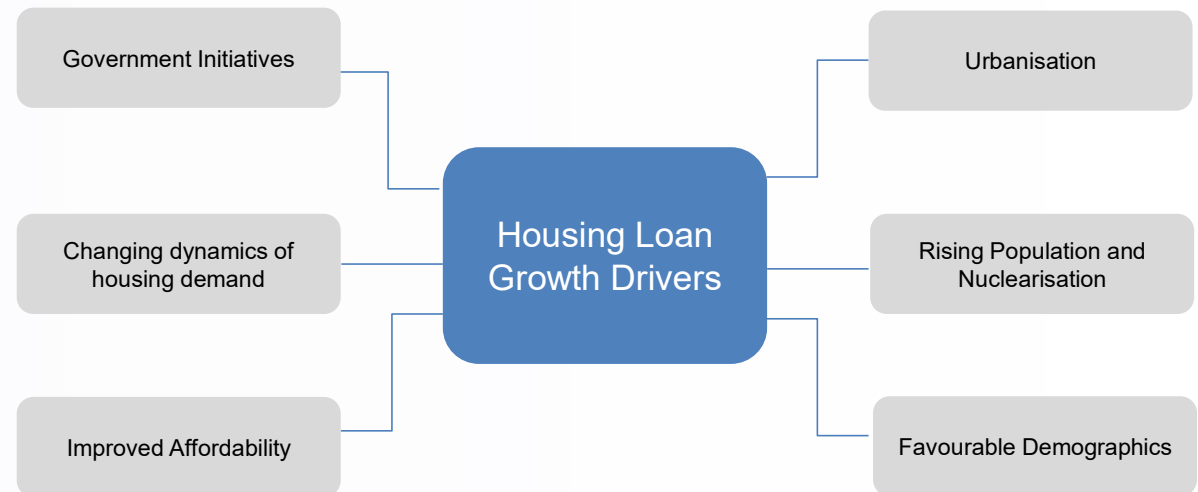


India Merchandise Exports (USD Bn)



## Opportunity Size & Drivers

- As per Knight Frank, total opportunity of ₹ 12 Lakh Crores (around USD 146bn) between FY19-30.
- Multiple drivers like government push, tax sops, affordability, urbanisation, etc.



Type	Housing Gap @ 2019 (in Mn)		
	EWS	LIG	Total
Rural India	45	15	60
Urban India	8	2	10
Total	53	17	70

Type	New Households in 2019-30 period (in Mn)		
	EWS	LIG	Total
Rural India	1	0	1
Urban India	22	4	26
Total	23	4	27

Type	Total Household gap in India (2019-30) (in Mn)		
	EWS	LIG	Total
Rural India	46	15	61
Urban India	30	6	36
Total	76	21	97

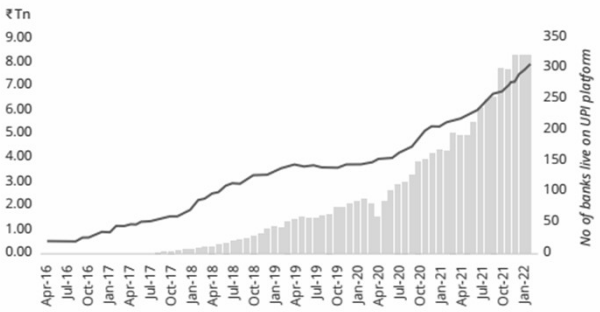
Type	Average Size of Home Loan (in ₹ Mn)	
	EWS	LIG
Rural India	0.08	0.15
Urban India	0.12	0.25

Type	Size of Housing Finance Market (2019-30) (in ₹ Tn)		
	EWS	LIG	Total
Rural India	3.7	2.2	5.9
Urban India	3.6	1.6	5.2
Total (₹ Tn)	7.3	3.7	11.1
Total (USD Bn)	96.46	49.26	145.73

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

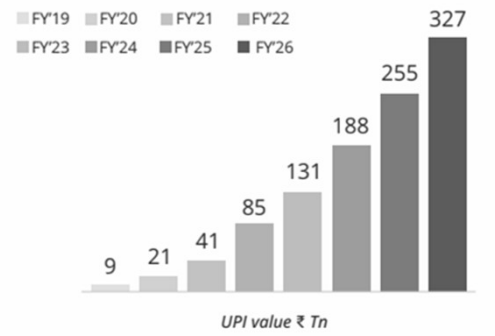
Payment digitalization will be the catalyst for our growth

**UPI – Key to Payment Digitalisation in India**



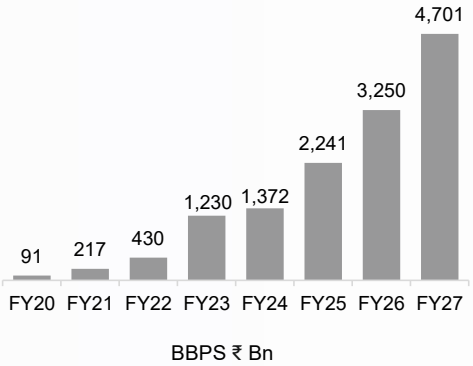
Source: NPCI's Retail Payments Statistics on NPCI Platforms <https://www.npci.org.in/statistics> and PwC Report Mar'22

**UPI expected to deliver 30% CAGR (FY 22-26) in value terms**

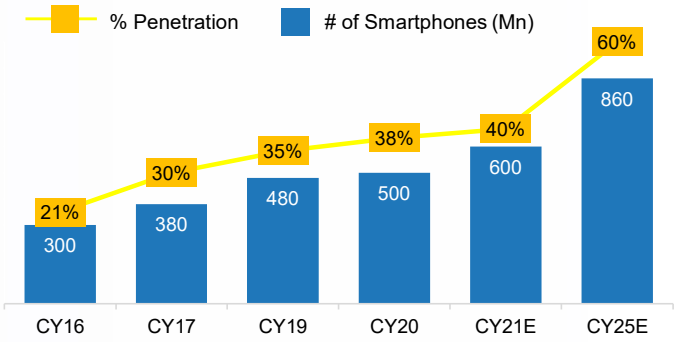


- UPI's rising share in total payments and substantial contribution by "Loan Repayments" in BBPS supports HomeFirst tech led journey.
- Increasing Smartphone Penetration a key driver for digital lending.

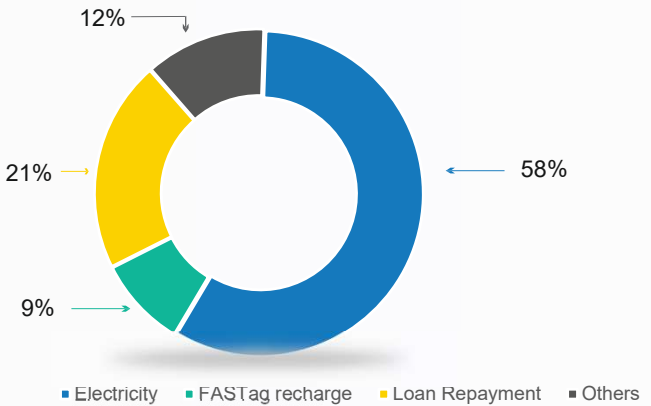
**BBPS expected to deliver 30% CAGR**



**India Smartphone Penetration**



Source: Research Reports



Source: PwC Report Mar'22



# Strategic Priorities

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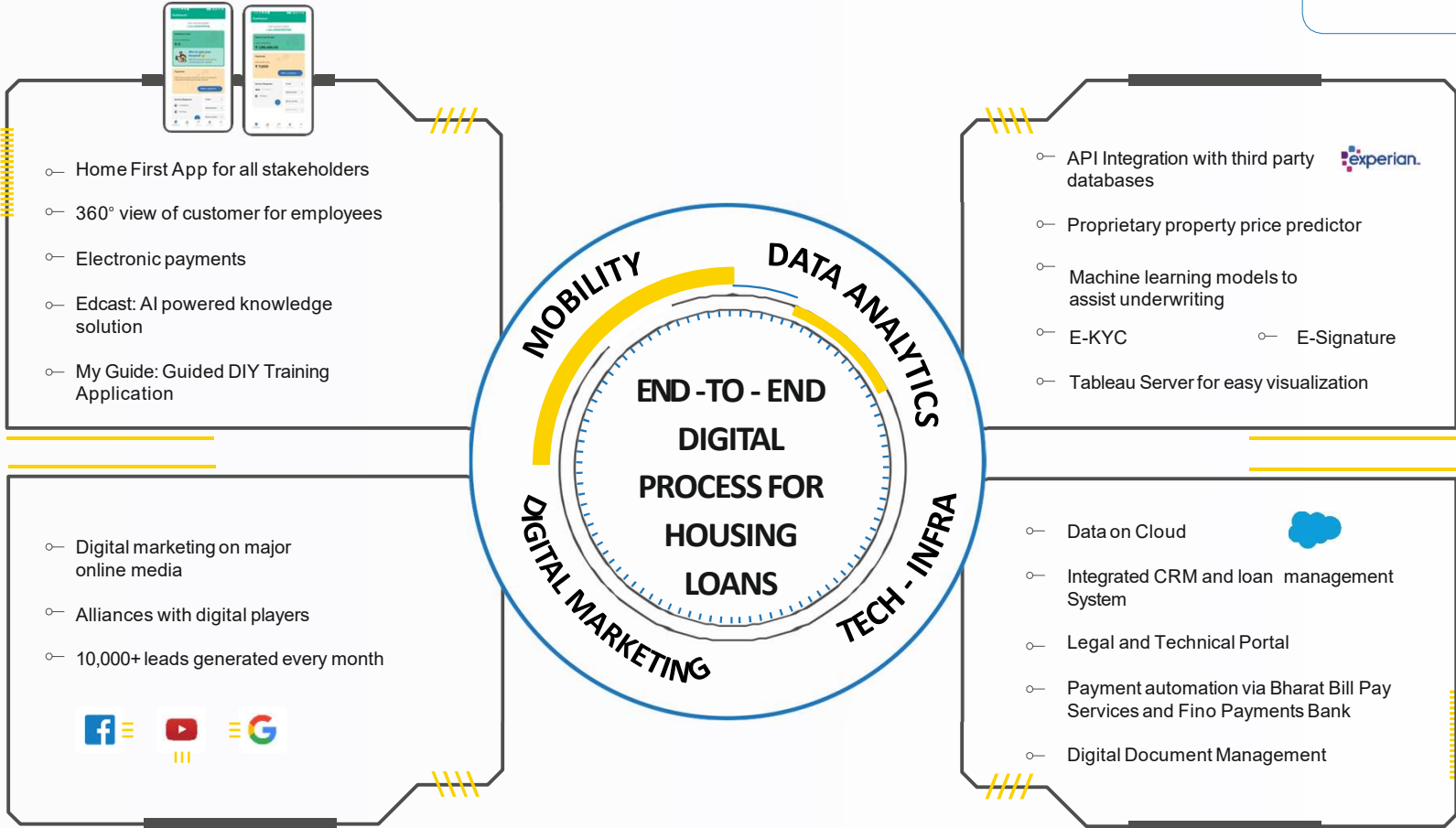


6 Strategic Priorities





# Tech In Mind



## Tech Interventions

- E-NACH
- E- Sign
- E- Vault
- E-Stamp paper
- Instant Soft Approval on App
- Biometric authentication on Customer App

Customers registered on app

80%

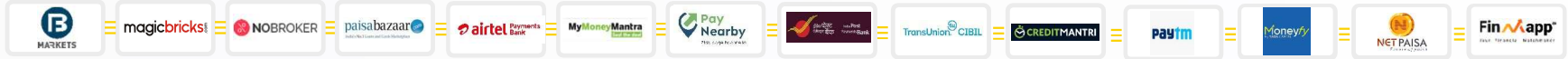
As of 31 Mar'22

Google rating of Homefirst Customer App

4.2



As of 17 Apr'22



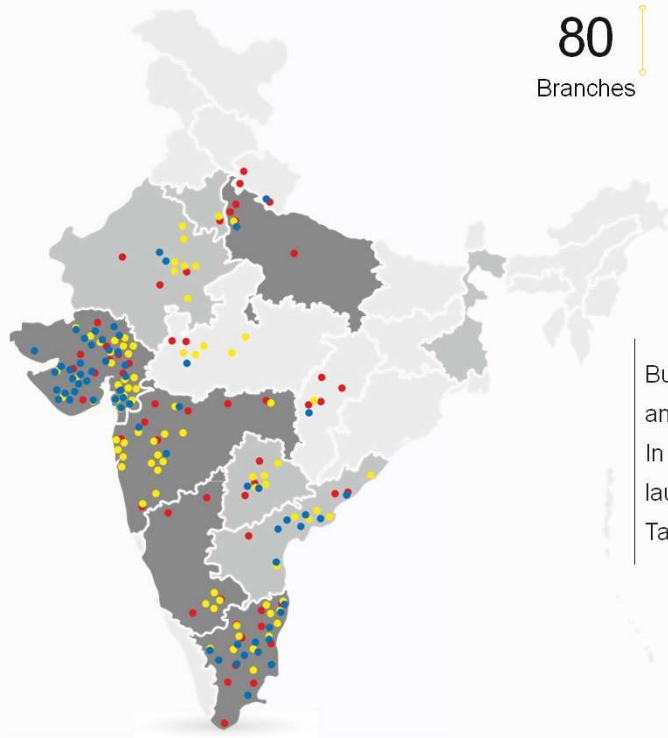
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Contribution to India's GDP FY'21 ( %)

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

Pan India Distribution driven by strategic market selection & contiguous expansion

80 Branches   98 Districts   13 States/UT   200 Touchpoints



Business commenced in **8** new physical branches and **40** new branch locations. In addition, **37** new digital branches have been launched in FY22. Taking the total number of touchpoints to **200**

### Distribution Strategy

- Go deeper in existing States. Doubling touch-points in near term.
- Existing States contribute ~75% of India's GDP and ~79% of AHF credit outstanding
- Digital sourcing and servicing will provide scalability and drive productivity.

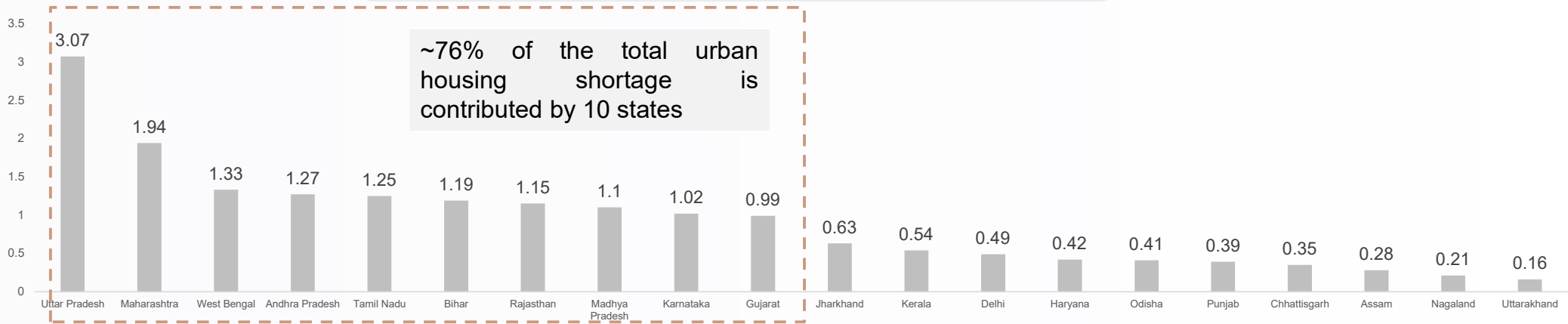
Note: Source for Contribution of states to India's GDP: NSO, MOSPI  
Source for AHF Credit Outstanding: Credit Bureau data for 5L-25L ticket size housing loans

Disclaimer :Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Market selection linked to high volumes

(In mn)

**Ten states account for ~76% of the urban housing shortage**

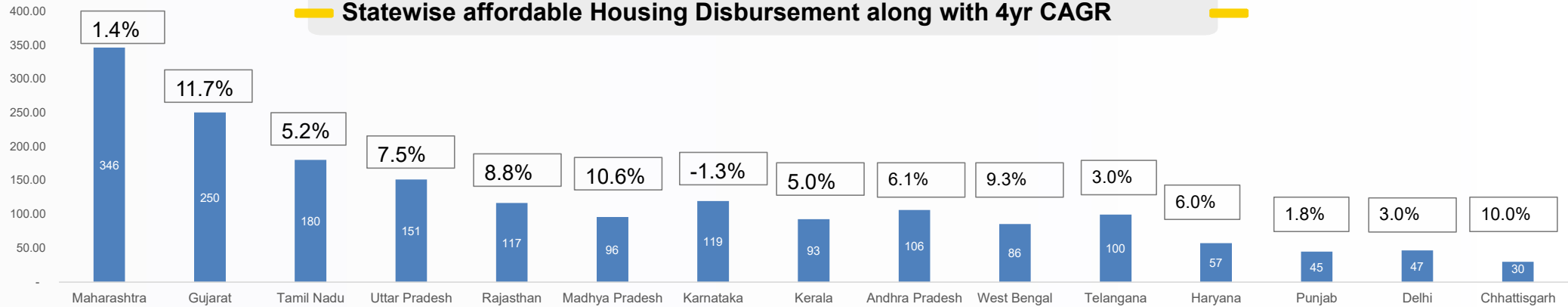


~76% of the total urban housing shortage is contributed by 10 states

Note: The data above is as of 2012, when Telangana was not a separate state and was a part of Andhra Pradesh; Source: Report of the Technical Urban Group on Urban Housing Shortage (TG-12)

(₹ bn)

**Statewise affordable Housing Disbursement along with 4yr CAGR**

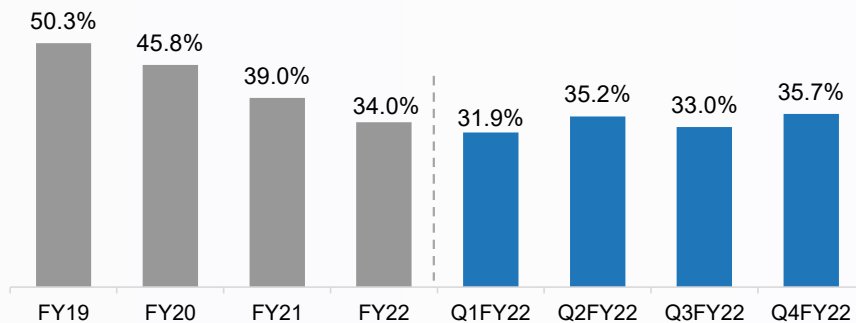


Note: The numbers mentioned above in the boxes represent 4-year CAGR (Fiscals 2015-2019) of disbursements in respective states and Disbursement figure is of Fiscal 2019 (pre-covid). Source: Credit Bureau data for housing loans between 5L-25L ticket size

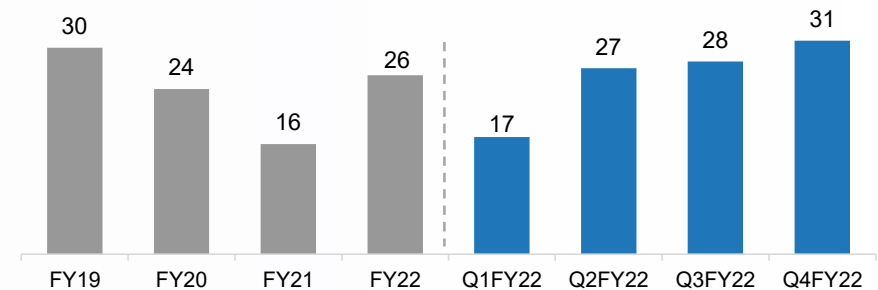
## Operational Efficiency

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

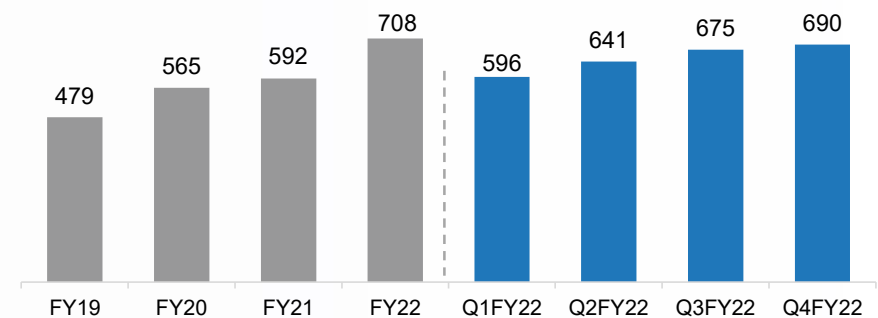
### Cost to Income



### Disbursement/Employee (in ₹ Mn)



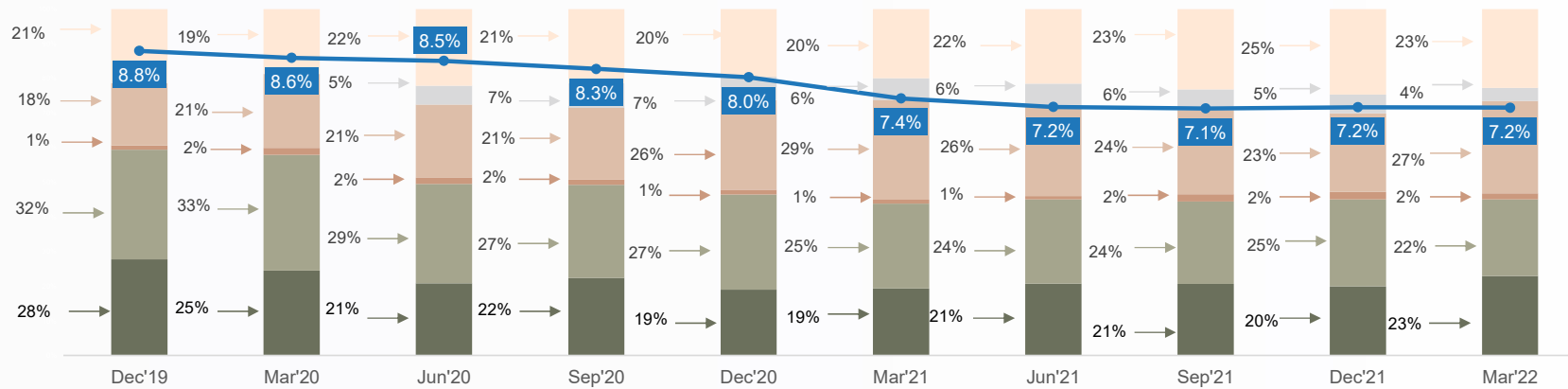
### AUM/Branch (in ₹ Mn)



## Funding - Diversified profile at competitive cost of borrowing

- DA
- NCD
- NHB Refinance
- NBFC
- Public Sector Banks
- Pvt Sector Banks
- COB% (Represents quarterly avg.)

### Borrowings Mix and Cost of Borrowing trend



India Ratings assigned

"IND AA-/Stable" for Bank loans and NCD

ICRA revised the long-term credit rating outlook from A+ 'Stable' to A+ 'Positive'

**ZERO** borrowing through commercial papers

Short term rating of A1+ (ICRA and India Ratings)

Long term rating of A+ Stable CARE

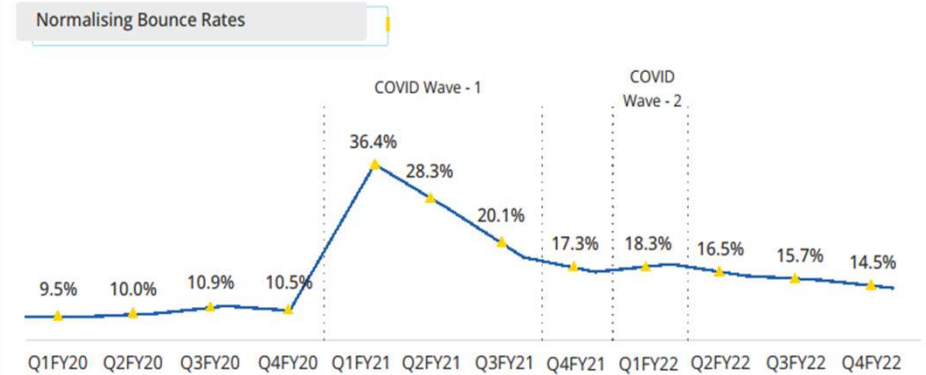
### Some of our Strong and longstanding banking relationships

Public Sector Banks	State Bank of India	Central Bank of India	Union Bank	Private Sector Banks	HDFC Bank	ICICI Bank	Axis Bank	NBFC	Bajaj Finance
	IDBI Bank	Bank of India			Federal Bank	Kotak Mahindra Bank	HSBC		

Validation by NHB - Single largest lender with ₹ 11,942.85 Mn outstanding 20+ lines

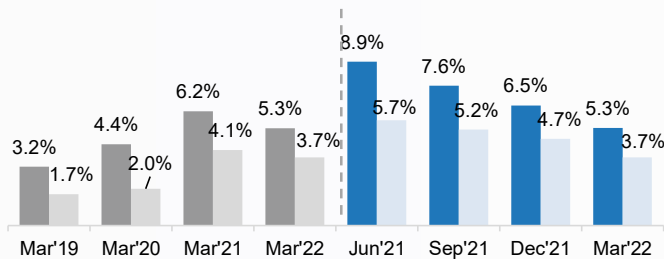
## Strengthen the Risk Management Framework

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



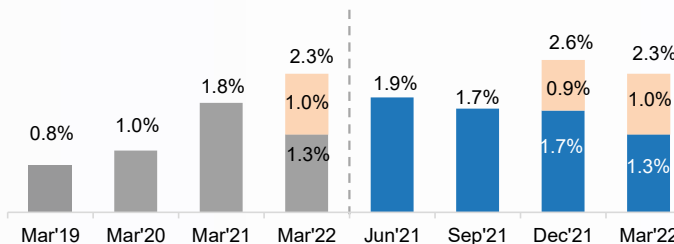
## 1+ DPD and 30+ DPD

1+ DPD    30+ DPD

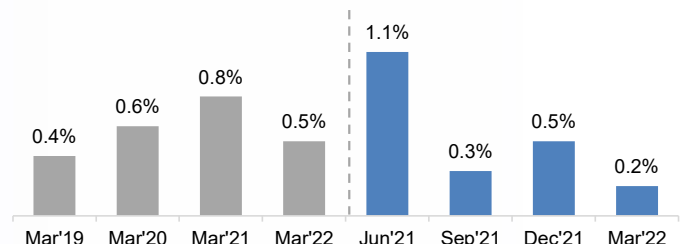


## 90+ DPD

Re-classification due to RBI circular

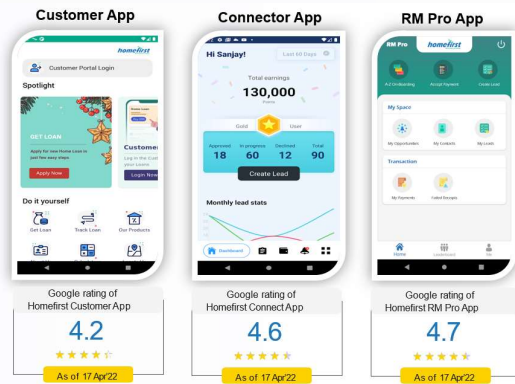


## Credit Cost/Avg Total Assets



### Environmental

- Paperless Operations. Cloud based CRM & LMS.
- **Mobile Apps** for connectors, relationship managers and customers.



- **Tech interventions (to save time & paper):**
  - E-Nach (38% of total cases in FY22)
  - E-Sign (16% of total cases in FY22)
  - E-Stamping (41% of total cases in FY22).

### Social

#### Customers:

- Key role in Financial Inclusion as EWS and LIG customers account for 75%+ of AUM.
- Helped 28,368 customers claim subsidy of ₹ 703.8 Crs till FY22.

#### Employees:

- “Great Place To Work” by GPTW Institute for 2 years
- Higher woman representation (~27% overall, 52% at head office, 20% in senior management)
- Formal talent pipeline development strategy, etc.

**Community:** Project “Sashakt” to empower the households to bring an all-around improvement migrant factory workers living in Narol (Ahmedabad). “Mahila Shram Shakti Kendra” in Ahmedabad & Surat to empower the women migrant workers facing extreme vulnerabilities.



### Governance

- Separate Chairman & Managing Director position.
- Experienced Board & Management with diversified expertise across Technology, Financial Inclusion & Risk Management.
- Board composition
  - 7 out of 9 Directors are non-executive
  - 4 out of 9 are Independent Directors
  - 2 out of 9 Woman Directors.
- High Independent Directors representation in all Board Committees.
- “Risk Management Committee” meetings on matters including Operational, Risk oversight, fraud prevention and control.
- Continuous training and communication on Whistle Blower and POSH (Prevention of Sexual Harassment).
- Implemented 3 ESOP plans.
- ~90% loans have woman as borrower
  - Primary applicant in 19% of AUM ±
  - At least 1 woman co-borrower in 72% of AUM.

For details, request you to please visit the Sustainability section of FY22 Integrated Annual Report

Distinguished Board & Strong Management Team

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## Distinguished Board of Directors

Chairman  
&  
Independent Director



**Deepak Satwalekar**  
Ex MD, CEO - HDFC Life

Independent Directors



**Geeta Goel**  
Country Director -  
Dell Foundation

Michael and  
Susan Dell  
Foundation



**Anuj Srivastava**  
CEO - Livspace

LIVSPACE



**Sucharita Mukherjee**  
CEO – Kaleidofin Pvt Ltd

kaleidofin

Nominee Directors



**Divya Sehgal**  
Partner – True North

truenorth



**Maninder Singh Juneja**  
Partner – True North

truenorth



**Narendra Ostawal**  
MD – Warburg Pincus

WARBURG PINCUS



**Vishal Gupta\***  
MD – Bessemer India

Bessemer  
Venture  
Partners

Executive Director



**Manoj Viswanathan**  
MD & CEO - HomeFirst

homefirst  
We'll take you home

\*Vishal Gupta is liable to retire as per Sec 152 of the Companies Act and he has chosen not to seek re-appointment in the upcoming AGM. This is subject to shareholders approval.

Please refer to Slide #25 for detailed experience history

## Board of Directors

### Mr. Deepak Satwalekar

*Chairman/ Independent/ Non-Executive Director*

Deepak Satwalekar was previously associated with HDFC Limited as a Director and HDFC Standard Life Insurance Company Limited as the MD & CEO. Currently he is associated with Asian Paints Limited and Wipro Limited as an Independent Director. He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University. Appointed as an Independent Director w.e.f. October 23, 2019.

### Ms. Sucharita Mukherjee

*Independent/ Non-Executive Director*

Sucharita is co-founder of Kaleidofin, a neo-bank that provides financial solutions to underbanked customers in India. Prior to Kaleidofin, she co-founded IFMR Group and most recently was the group CEO of IFMR Holdings. She founded Northern Arc Capital, building capital markets access for financial inclusion and Northern Arc Investments, an alternatives fund management platform focused on informal sector finance. She is an alumnus of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University. She has also worked with Deutsche Bank and Morgan Stanley in London.

### Mr. Vishal Gupta

*Nominee/ Non-Executive Director*

Vishal is MD at Bessemer Venture Partners (BVP) and spearheads India operations. He brings more than 15 years of experience in consumer internet, financial technology and healthcare technology. He is an MBA from IIM Calcutta and a Chartered Accountant. He has vast experience in IT and has played critical role in the areas like digital platforms and data analytics over the years. Prior to joining BVP India, Mr. Gupta was a senior manager in the treasurer's office at Reliance Group, where he helped the in establishing a Private equity firm.

### Ms. Geeta Dutta Goel

*Independent/ Non-Executive Director*

Ms. Geeta Dutta Goel is Country Director for Michael and Susan Dell Foundation in India. She manages the strategy and implementation of the foundation's work in India in two key areas of Education and Family Economic Stability. Geeta has served as the Chairperson of India's Impact Investors Council from 2017-2019, and has been on several taskforces on Responsible Finance with the World Bank's Consultative Group to Alleviate Poverty. Geeta holds a bachelor's degree in economics from Lady Shri Ram College for Women, University of Delhi and a post graduate diploma in management from the IIM, Ahmedabad.

### Mr. Divya Sehgal

*Nominee/ Non-Executive Director*

He is a Partner at True North and leads their investments in the Financial Services industry. Divya holds a Bachelor's degree in Electrical Engineering from IIT, Delhi and holds a Post Graduate Diploma in Management from IIM, Bengaluru. Prior to joining True North, he was Founder and COO of Apollo Health Street, a leading healthcare outsourcing firm and one of the top five in its space globally. Before that he worked as a consultant with McKinsey, with the corporate finance team at ANZ and as an entrepreneur at Emedlife which eventually merged with the Apollo Group.

### Mr. Narendra Ostawal

*Nominee/ Non-Executive Director*

Narendra joined Warburg Pincus in 2007 and is currently designated as Managing Director for healthcare and financial services. Prior to joining Warburg Pincus, Mr. Ostawal has worked with 3i India and McKinsey & Company. He is a Director of Avanse Financial Services Limited, Carmel Point Investments India Private Limited, Computer Age Management Services Limited, Fusion Micro Finance Private Limited and IndiaFirst Life Insurance Company Limited. Mr. Ostawal is a Chartered Accountant and an MBA from IIM Bangalore.

### Mr. Anuj Srivastava

*Independent/ Non-Executive Director*

Anuj Srivastava is the co-founder and Chief Executive Officer of Livspace - a home interiors and renovation platform. Before setting up Livspace, Anuj was heading product marketing and growth at Google where he was responsible for building, launching and scaling products such as Google Wallet, Google AdSense, Google Local and Google Adwords. Anuj was also a lead on the integration team for Google's acquisition of DoubleClick. Anuj has completed his BTech at the IIT Kanpur and holds an MBA degree from London Business School.

### Mr. Maninder Singh Juneja

*Nominee/ Non-Executive Director*

Maninder is an MBA from IIM Lucknow, he has over 26 years experience across industries. Prior to True North, Maninder was the Group Head for ICICI Bank's Retail Banking group, covering Strategy, Products, Small Business Loans, Branch Banking and distribution channels. He was also leading the bank's various efforts in the area of payments and service innovations, many of which are industry firsts. He started his career with Godrej and has worked with Godrej GE Appliances and GE Transportation financial services.

### Mr. Manoj Viswanathan

*Managing Director and CEO*

Manoj Viswanathan holds a Bachelor's degree in Electrical & Electronics Engineering from BITS, Pilani and an MBA from XLRI Jamshedpur. He possesses experience of more than 24 years in consumer lending, encompassing sectors such as automobile loans, mortgages, and unsecured lending. He is considered to have played an important role in building the branch-based consumer-lending model for Citigroup in India. He is the Managing Director and CEO of Home First Finance Company.

## Experienced Management Team



**Manoj Viswanathan**

*MD & CEO*

25+ years in Consumer Lending. 11 years with Citigroup.



**Ajay Khetan**

*Chief Business Officer*

22+ years in Consumer Lending & Technology at Macquarie Group, HP Financial Services and Citigroup



**Gaurav Mohta**

*Chief Marketing Officer*

19+ years in Consumer Lending and Product Management with Kotak Bank, Citigroup & RPG-Foodworld



**Vilasini Subramaniam**

*Head – Strategic Alliances*

19+ years in Product Development, Analytics, & Business Strategy at Citigroup & Janalakshmi Financial Services



**Nutan Gaba Patwari**

*Chief Financial Officer*

15+ years in Business Finance, Operation Management at HUL, ITC and Philip Morris



**Ramakrishna Vyamajala**

*Chief Human Resources Officer*

16+ years in HR operations at IDFC Bank and Vedanta



**Abhijeet Jamkhindkar**

*Business Head- Maharashtra*

19+ Years in Project & Developer Financing at HDFC Ltd



**Arunchandra Jupalli**

*Business Head - South*

20+ Years in Consumer Lending and Mortgage at Citigroup and Karvy Financial Services



**Dharmvir Singh**

*Chief Technology Officer*

15+ years in digital transformation, defining & implementing technology solutions in TCS, Birlasoft, IBM & Wipro



**Ashishkumar Darji**

*Chief Risk Officer*

17+ years experience in financial risk management domain at KPMG, SBI & Kotak Securities

# Thank You

For further information, please contact

## Company

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## Investor Relations Advisors

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