

HFFCIL/BSE/NSE/EQ/21/2024-25

Date: 29-05-2024

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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**Subject: Integrated Annual Report for FY24 and Notice of the 15<sup>th</sup> Annual General Meeting.**

Dear Sir/Madam,

We wish to inform you that the 15<sup>th</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on **Thursday, June 20, 2024, at 12:00 noon IST** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) in accordance with the circulars and notifications issued by the Ministry of Corporate Affairs (“MCA”) and the Securities and Exchange Board of India (“SEBI”) to transact the businesses, as set forth in the Notice of the 15<sup>th</sup> AGM.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Integrated Annual Report for FY24 and the Notice convening the 15<sup>th</sup> AGM has been dispatched to all the Shareholders in electronic mode on May 29, 2024.

The Notice of the AGM and the Integrated Annual Report of the Company for FY24 are made available on the website of the Company at:

**AGM Notice:** [Click Here](#)

**Annual Report:** [Click Here](#)

kindly take the above on record and disseminate the same on your website.

For **Home First Finance Company India Limited**

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

# INTEGRATED ANNUAL REPORT

2023 - 24

**Home First Finance Company India Ltd.**

CIN - L65990MH2010PLC240703

Registered Office: 511, Acme Plaza,  
Andheri - Kurla Road, Andheri East, Mumbai - 400 059

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# About this Report

## Our Approach to Reporting

Home First Finance Company India Limited (HomeFirst) is publishing its third Integrated Annual Report for FY24 to provide a holistic assessment of its financial as well as non-financial performance. Through this report, we strive to provide enhanced disclosures to meet the requirements of our stakeholders.

## Reporting Principle

- The Companies Act, 2013 (including the rules made thereunder),
- The Indian Accounting Standards,
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The report has been prepared in accordance with the framework prescribed by the International Integrated Reporting Council (IIRC) and also contains disclosures with reference to the Global Reporting Initiative (GRI) Standards and United Nations Sustainable Development Goals (UN SDGs).

## Reporting Period

The Integrated Report FY24 is an annual publication for the period April 1, 2023 to March 31, 2024.

## Materiality & Scope & Boundary

The Integrated Annual Report FY24 includes information that is material to HomeFirst's stakeholders and provides an overview of the business processes and activities that assist in long term value creation. HomeFirst also shares insights about the strategic

priorities, business model, risks and mitigants. The reporting boundary covers overall environmental, social and economic performance of HomeFirst across 133 physical branches as on Mar'24 and its Head office and other offices in Mumbai.

## Independent Assurance

The quality of information content in the report is prepared in consultation with and reviewed by internal stakeholders. This Report covers financial and non-financial information and activities of Home First Finance Company India Limited ('the Company') for the period April 1, 2023 to March 31, 2024. While the financial information has been audited by Deloitte Haskins & Sells, Chartered Accountants, the select non-financial information as referred to in the assurance report has been assured by Price Waterhouse Chartered Accountants LLP (PWCALLP).

The assurance is in accordance with the limited assurance criteria of the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board. The assurance criteria, methodology and conclusion are presented in the assurance report. The assurance report is available on page no 342.

# FY 2023-24 in brief



## Growth

133

Physical Branches

321

Touchpoints

₹9,698 Crs

Asset Under Management

42%

CAGR (FY17-FY24)

₹3,963 Crs

Disbursals



## Productivity

₹3.5 Crs

▲8% Y-o-Y  
Disbursement / Employee

₹79.5 Crs

▲5% Y-o-Y  
Asset Under Management / Branch



## Funding

₹4,448 Crs

Raised Including Assignments

31 Lenders

Diversified Funding

AA- Positive  
(IndRA)

AA- Stable  
(ICRA)

AA- Stable  
(CARE)



## Risk Management

1.7%

▲0.1% Y-o-Y  
GNPA\*

2.8%

▲0.1% Y-o-Y  
30+ DPD



## Tech

95%

Customers Registered  
on Customer App

89%

Loans Approved  
within 48 hours



## ESG

#16.2

ESG Risk Score  
(Categorising under "Low Risk")

34

S&P Global  
ESG Score

23.7%

Employees are covered  
Under ESOP Program

63.4%

AUM is towards  
EWS/LIG customers

29%

Women  
workforce

\*1.7% (1.1% pre RBI circular) compared to 1.6%  
(0.9% pre-RBI circular) for FY23

#Morning star Sustainalytics ESG Risk Rating



## Theme of the Report

# BASE CAMP

*Mt. Everest, Nepal - altitude 5,364 Mts (17.5k ft)*

The charter flight from Kathmandu to Lukla air strip is a nerve-wracking venture for trekkers bound for the South Base Camp, Nepal. At an altitude of 5,364 meters, amidst the biting cold and the awe-inspiring sight of Mt. Everest, the thinning Kumbhu Glacier leaves you breathless! Every year thousands of aspiring climbers consolidate their preparation at the Base Camp before embarking on their ultimate ascent.

Climbing a mountain evoke feelings of danger and adventure. Courage is perceived as the ultimate virtue. Seasoned climbers will however certify that the virtues needed to scale summits are fitness, training, climbing gear, safety and discipline. They may as well be talking about running a lending business.

With over 100,000 customers and ₹10,000 Crs in Assets Under Management (AUM), we have established a solid platform for affordable housing that we proudly call our Base Camp! Just like any Everest expedition, our mission from the very beginning was to break new ground in the traditional home loan process. How do we assess family income without traditional documentation? Could we do so swiftly, consistently? Could we seamlessly integrate the process with the daily routines of customers? Could we ensure prompt repayments while safeguarding their privacy? Delving deep into our customers' needs, we have developed solutions that can be customised at scale.

The most essential equipment of our climbing gear has been our holistic approach to technology and a flexible system that can expand as needed. We have created a strong technology bedrock with a nimble user interface. Backed by our safety equipment - our robust risk management practices, we have maintained stability at every small step on this climb. Our proactive approach to risk management has enabled us to navigate uncertain terrain and potential hazards in our 14-year journey. With our unique hiring and training processes we have built a customer centric team that guides first time home-buyers across 13 Indian States/UT, fostering our brand values of promptness, transparency and innovation.

As we make our summit push, we envision a trajectory of consistent growth. We approach the steep ascent with unwavering determination, ice axes in hand and climbing ropes strapped on. Let's behold the world from a vantage point only few in history have experienced. We will of course cross several more camps before we reach the summit.

As one great mountain climber put it: **"The summit is what drives us, but the climb itself is what matters."**

### Performance Highlights

₹ 9,698 crs

Asset Under Management

₹ 11.5 Lakhs

Average Ticket Size of Housing Loan

1.7%

GNPA (1.1% pre RBI circular)

3.8%

ROA

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Home\_First • Follow



**Ayisha Sarthar**

*Owner, Swastik Tailoring*

# Corporate

OVERVIEW

# Corporate Information

## Directors

Mr. Deepak Satwalekar (Chairman)  
 Ms. Geeta Dutta Goel  
 Mr. Anuj Srivastava  
 Ms. Sucharita Mukherjee  
 Mr. Maninder Singh Juneja  
 Mr. Divya Sehgal  
 Mr. Narendra Ostawal  
 Mr. Manoj Viswanathan (Managing Director & CEO)

## Chief Financial Officer

Ms. Nutan Gaba Patwari

## Company Secretary

Mr. Shreyans Bachhawar

## Registered Office

511, Acme Plaza, Andheri Kurla Road  
 Andheri (East),  
 Mumbai 400 059  
 Tel No: 022 6694 0386  
 Email:  
[corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)

## Committees of the Board

### Audit Committee

Ms. Sucharita Mukherjee  
 (Chairperson)  
 Ms. Geeta Dutta Goel  
 Mr. Maninder Singh Juneja

### Nomination and Remuneration Committee

Ms. Geeta Dutta Goel (Chairperson)  
 Mr. Anuj Srivastava  
 Mr. Narendra Ostawal

## Stakeholders Relationship Committee

Ms. Sucharita Mukherjee  
 (Chairperson)  
 Mr. Maninder Singh Juneja  
 Mr. Manoj Viswanathan

## CSR and ESG Committee

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

## Risk Management Committee

Mr. Maninder Singh Juneja  
 (Chairman)  
 Ms. Sucharita Mukherjee  
 Mr. Narendra Ostawal  
 Mr. Manoj Viswanathan  
 Mr. Ajay Khetan  
 Ms. Nutan Gaba Patwari  
 Mr. Ashishkumar Darji

## IT Strategy Committee

Mr. Anuj Srivastava (Chairman)  
 Mr. Manoj Viswanathan  
 Mr. Manindar Singh Juneja  
 Mr. Ajay Khetan

## Auditors

Deloitte Haskins & Sells  
 19th Floor, Shapath - V, S.G.  
 Highway, Ahmedabad - 388015  
 Tel No: +91 79 6682 7300

## Debenture Trustee

Axis Trustee Services Limited  
 Corporate Office: The Ruby, 2nd  
 Floor, SW 29 Senapati Bapat Marg,  
 Dadar (West),  
 Mumbai 400 028  
 Tel No: 022-6230 0451  
[www.axistrustee.in](http://www.axistrustee.in)

## Registrar and Share Transfer Agents

Kfin Technologies Limited  
 Selenium, Tower- B, Plot No 31-32,  
 Gachibowli, Financial district,  
 Nanakramguda, Hyderabad, 500032  
 Tel No: 040 6716 2222

## Bankers & Financial Institutions

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

# HomeFirst At a Glance

## Smart loans for affordable homes

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

### Vision

Shape the Future of Financing Homes, and Empower People to Live Better

### Values

**Swift** **Transparent**  
**Unconventional**

Doing the unconventional in a swift and transparent manner!

### Mission

Be the Fastest Provider of Home Finance for the Aspiring Middle Class Delivered with Ease and Transparency

₹ **11.5** Lakhs  
Average Ticket Size of Housing Loan

**89%**  
Loans Approved within 48 Hrs

₹ **20K-50K**  
Monthly Household Income

**79**  
NPS (FY24)

## Our Customers



**Ankita | Self Employed**  
Owner, Junior School  
₹62,180 Monthly Income  
₹25,20,090 Loan



**Prabhakar | Formal Salaried**  
Engineer, Johnson Lifts  
₹38,000 Monthly Income  
₹13,00,000 Loan



**Sushil | In-formal Salaried**  
Carpenter, MS Furniture shop  
₹45,000 Monthly Income  
₹9,00,000 Loan

### Challenges Faced

- Inability to meet tedious documentation process of large banks
- Time consuming sanction process
- Dealing with middle men
- Hidden fees and charges

### Our Value Proposition

- Empathetic loan process via well-educated and trained Relationship Managers
- Doorstep service with a paperless process. 48 Hr TAT for approval
- Full-feature mobile apps powered with a pre-payment module
- Zero prepayment charges. No hidden charges

## Properties We Finance



**Apartment - Lucknow, Uttar Pradesh**  
Property Cost - ~₹48,00,000



**Self-Constructed Home - Tirupur, Tamil Nadu**  
Property Cost - ~₹23,00,000



**Row house - Indore, Madhya Pradesh**  
Property Cost - ~₹37,00,000

# Our Journey



Notes:  
 1) Aether has co-invested with True North. Waverly owns 100% of Aether Class B Shares. Waverly is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd  
 2) Investment by Orange Clove Investments B.V (an affiliate of Warburg Pincus). Warburg Invested on 1st October 2020

# 14 Year Highlights

Particulars (₹ in Crs)	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IndAS	IndAS	IndAS	IndAS	IndAS	IndAS
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	
Total Income	-	2	7	20	39	62	95	146	271	419	489	596	796	1,157	
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303	499	
<b>Net Total Income</b>	<b>-</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>17</b>	<b>26</b>	<b>42</b>	<b>82</b>	<b>146</b>	<b>228</b>	<b>273</b>	<b>381</b>	<b>492</b>	<b>658</b>	
Interest Income on loans	-	1	5	16	33	55	84	126	229	342	406	477	682	970	
Interest Expense on borrowings and debt securities	-	-	3	10	22	36	53	64	125	191	217	215	303	499	
<b>Net Interest Income</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>11</b>	<b>19</b>	<b>31</b>	<b>62</b>	<b>104</b>	<b>151</b>	<b>190</b>	<b>262</b>	<b>379</b>	<b>471</b>	
Net Gain on DA	-	-	-	-	-	-	-	-	21	37	44	68	38	63	
Other Non-interest income	-	1	2	4	6	7	11	20	21	40	39	51	75	124	
<b>Net Total Income</b>	<b>-</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>17</b>	<b>26</b>	<b>42</b>	<b>82</b>	<b>146</b>	<b>228</b>	<b>273</b>	<b>381</b>	<b>492</b>	<b>658</b>	
Opex	1	3	5	8	12	16	26	42	74	104	106	130	176	232	
Credit Cost	-	-	-	-	1	1	2	2	7	17	32	25	22	25	
Total Expense	1	3	8	18	35	53	81	108	206	312	355	369	500	757	
Tax	-	-	-	-	1	3	5	13	19	27	34	52	67	94	
One time adjustment	-	-	-	-	-	-	-	-	-	-	-	(12) <sup>^</sup>			
<b>PAT</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>25</b>	<b>46</b>	<b>80</b>	<b>100</b>	<b>186</b>	<b>228</b>	<b>306</b>	
<b>Funds (₹ in Crs)</b>															
Debt	-	5	44	96	216	365	554	870	1,926	2,494	3,054	3,467	4,813	7,302	
Equity	15	28	50	99	102	154	308	333	523	933	1,381	1,574	1,817	2,121	
Total Assets	16	34	102	216	359	597	990	1,372	2,482	3,480	4,510	5,117	6,737	9,534	
<b>Key Metrics (₹ in Crs)</b>															
AUM	2	20	69	163	337	548	847	1,356	2,444	3,618	4,141	5,380	7,198	9,698	
Disbursement	2	12	35	90	211	277	424	746	1,573	1,618	1,097	2,031	3,013	3,963	
<b>Key Ratios</b>															
Earnings per share (₹) [FY11 to FY18 - FV ₹ 10 per share FY19 onwards - FV ₹ 2 per share]	-2	-5	-4	9	11	18	23	24	8	11	12	21	26	35	
RoA	-7.4%	-5.5%	-1.6%	1.6%	1.2%	1.3%	1.1%	2.1%	2.4%	2.7%	2.5%	3.6% <sup>^</sup>	3.9%	3.8%	
RoE	-7.5%	-6.2%	-2.7%	3.4%	3.4%	4.7%	3.8%	7.9%	10.8%	10.9%	8.7%	11.8% <sup>^</sup>	13.5%	15.5%	
CRAR	167.0%	84.0%	60.2%	73.7%	44.1%	48.4%	66.7%	43.8%	38.5%	49.0%	56.2%	58.6%	49.4%	39.5%	
CRAR - tier 1	167.0%	84.0%	60.2%	73.7%	43.5%	47.8%	66.0%	42.9%	37.7%	47.7%	55.2%	58.1%	48.9%	39.1%	
No of shares	2,885,457	3,470,914	4,453,643	6,125,468	6,125,468	7,761,721	10,320,531	10,323,331	63,339,490 <sup>*</sup>	78,297,715	87,399,727	87,633,703	88,016,767	88,516,167	
Face value per share (₹)	10	10	10	10	10	10	10	10	2	2	2	2	2	2	
BVPS	53	80	113	161	166	198	298	323	83	119	158	180	206	240	
Opex to Assets	12.4%	13.1%	7.5%	5.0%	4.2%	3.4%	3.3%	3.6%	3.8%	3.5%	2.7%	2.7%	3.0%	2.9%	
Cost to Income Ratio (Operating Expenses / Net Total Income)	242.3%	161.8%	121.9%	74.6%	69.0%	61.6%	63.1%	51.2%	50.3%	45.8%	39.0%	34.0%	35.7%	35.3%	

## Notes

- Effective April 1, 2019, the Company has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. Accordingly, FY19 financials have also been restated as per IndAS for comparison.

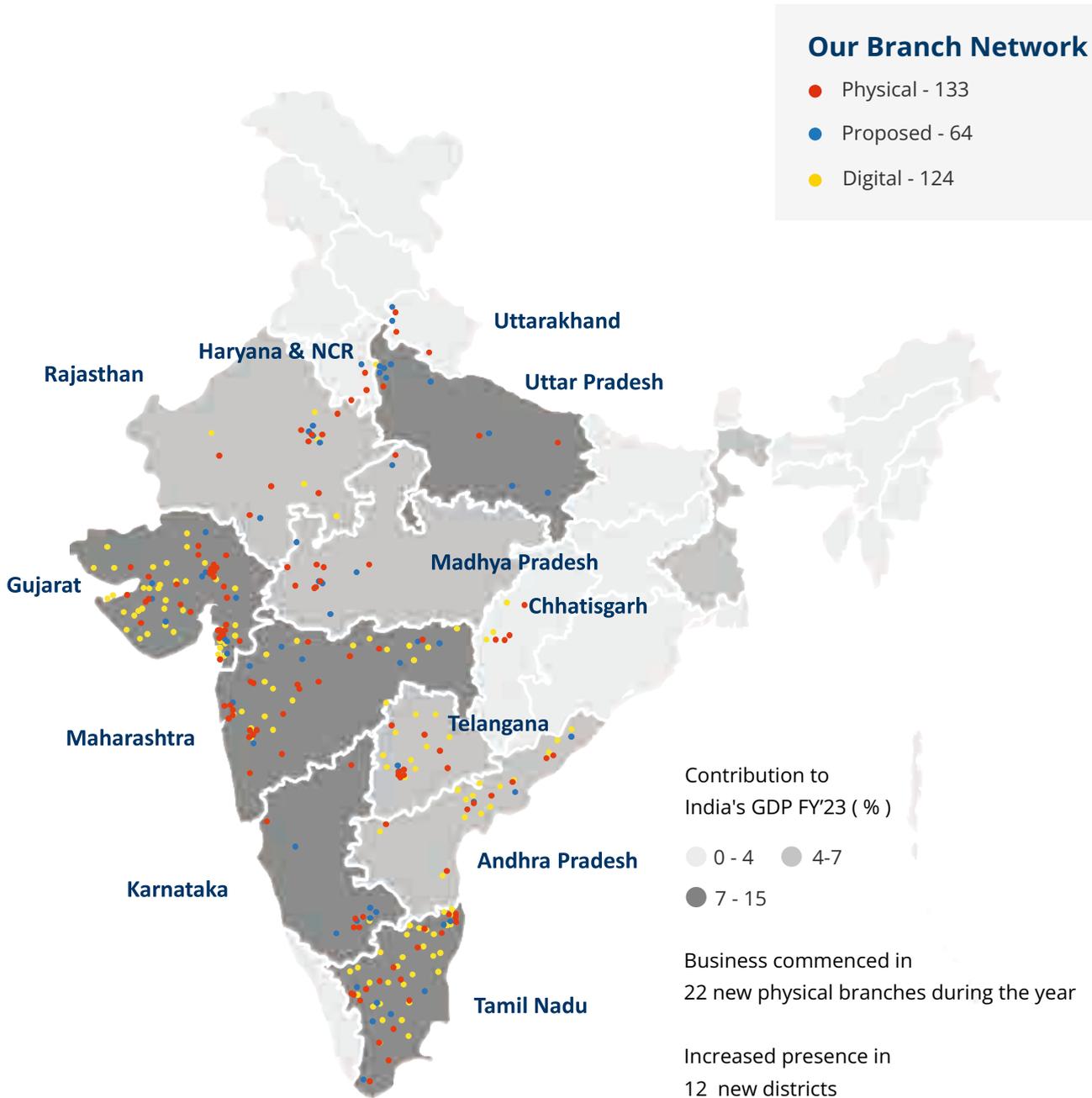
- The shareholders, vide a special resolution, have approved subdivision of equity shares of the Company in the ratio of five equity shares of ₹2 each against one equity share of ₹ 10 each respectively. Accordingly, 15,659,543 shares of ₹ 10 each, were subdivided to 78,297,715 shares of ₹ 2 each as at 30 October 2019.

- Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and other Expenses for the relevant year or period as per the financial statements.

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

\*Adjusted for subdivision

# Our Geographic Presence



133  
Branches

131  
Districts

13  
States / UT

321  
Touchpoints

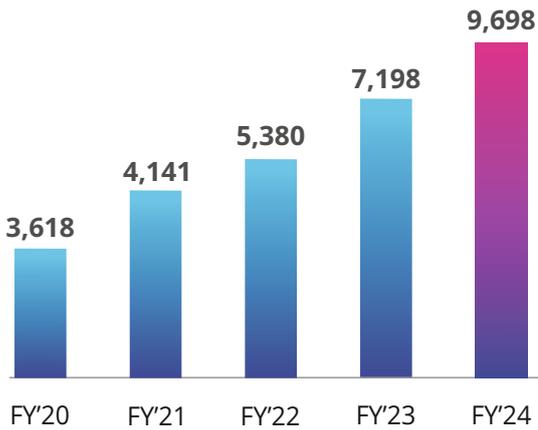
Disclaimer Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness  
 Note: Source for Contribution of states to India's GDP: NSO, MOSPI

# Performance Highlights

## Business Metrics

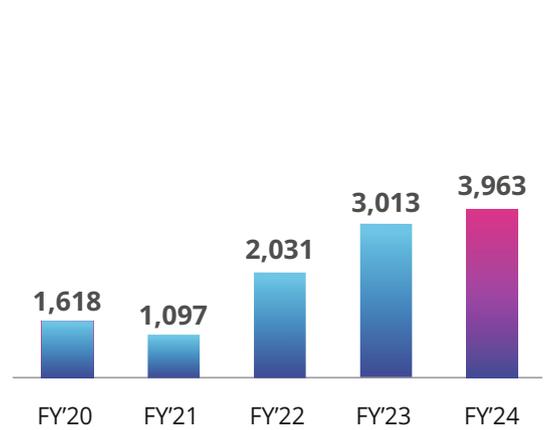
Assets Under Management >> ₹9,698 Crs

in ₹Crs ▲ Y-o-Y 34.7% ▲ 3 Yrs CAGR 32.8%

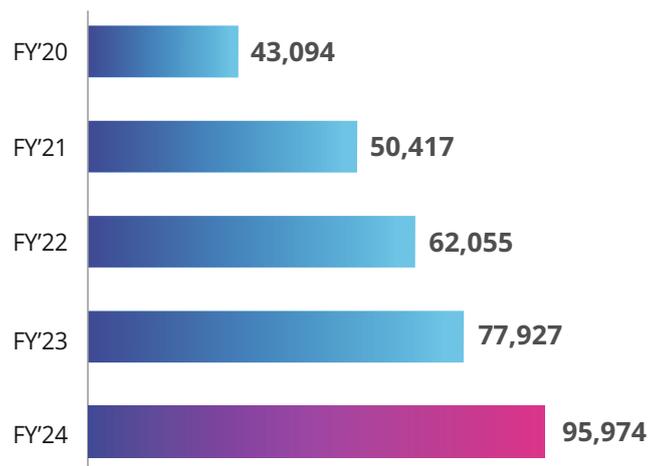


Disbursement >> ₹3,963 Crs

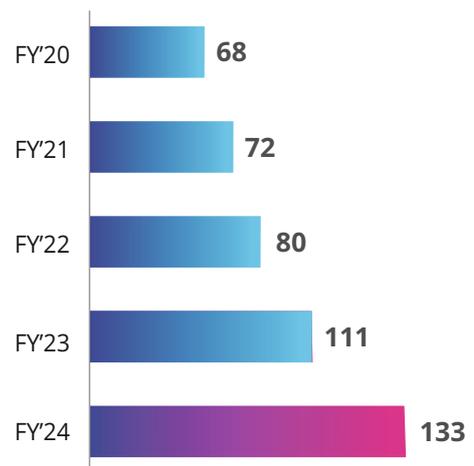
in ₹Crs ▲ Y-o-Y 31.5% ▲ 3 Yrs CAGR 53.5%



Number of Loan Accounts >> 95,974



Number of Branches >> 133

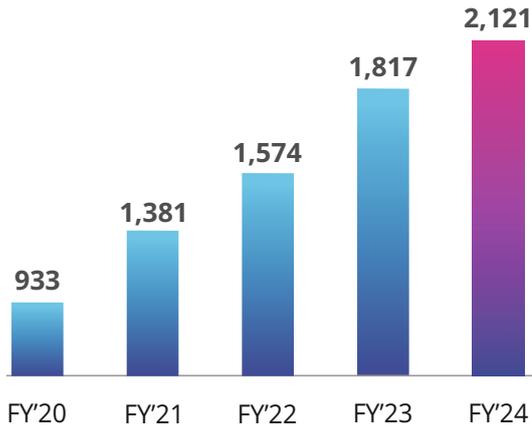


# Performance Highlights

## Balance Sheet Metrics

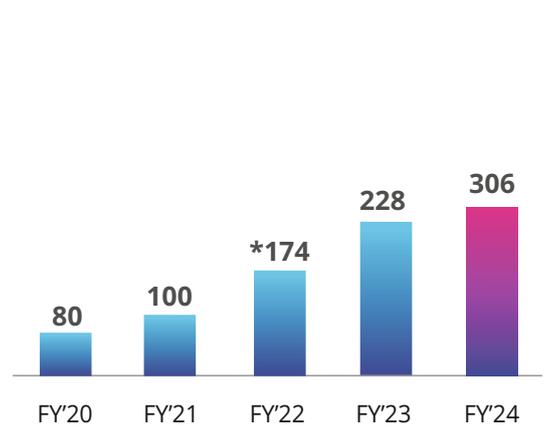
Networth >> ₹2,121 Crs

in ₹Crs



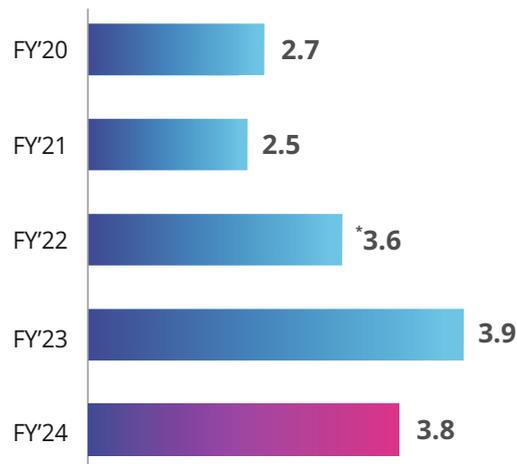
Profit After Tax >> ₹306 Crs

in ₹Crs



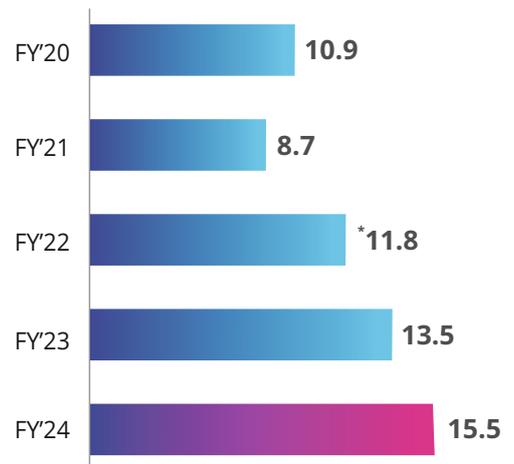
RoA >> 3.8%

in %



RoE >> 15.5%

in %



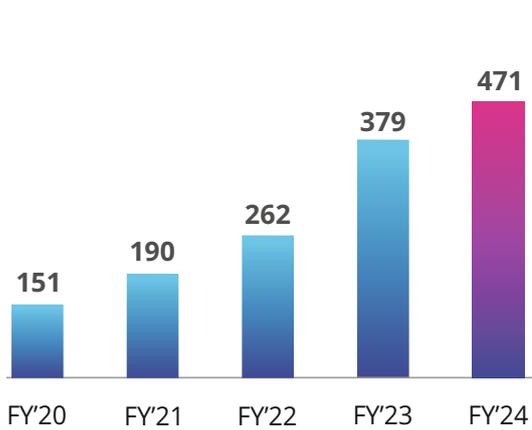
\* Adjusted RoA at 3.6% and Adjusted RoE at 11.8% is computed considering Adjusted PAT for FY22 without the positive impact of one-time deferred tax liability adjustment

# Performance Highlights

## Profit & Loss Metrics

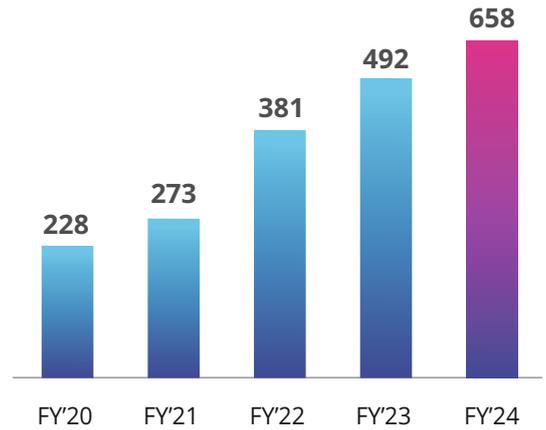
Net Interest Income >> ₹471 Crs

in ₹Crs ▲ Y-o-Y 24.2% ▲ 3 Yrs CAGR 35.4%



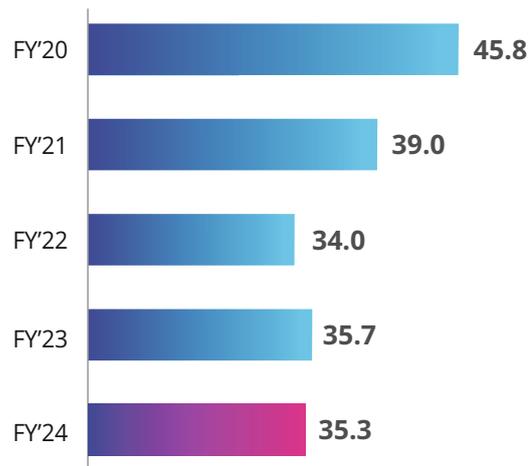
Net Total Income >> ₹658 Crs

in ₹Crs ▲ Y-o-Y 33.6% ▲ 3 Yrs CAGR 34.1%



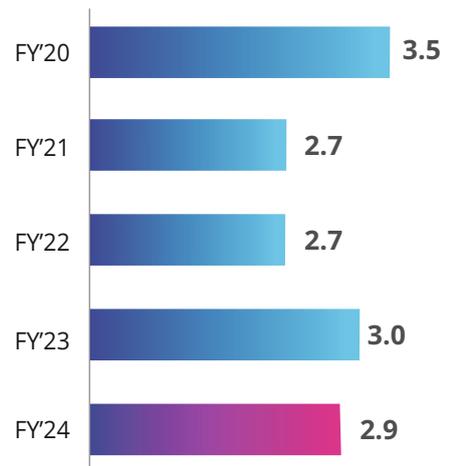
Cost to Income >> 35.3%

in %



Opex to Assets >> 2.9%

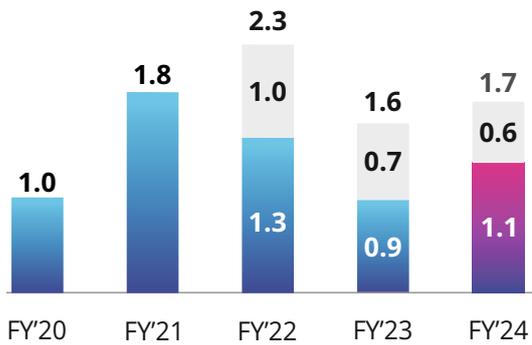
in %



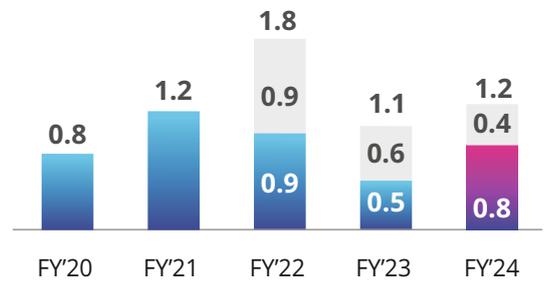
# Performance Highlights

## Asset Quality Metrics

GNPA >> **1.7%**  
in %

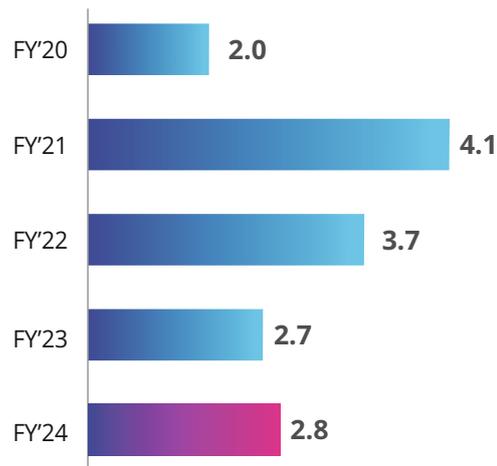


NNPA >> **1.2%**  
in %

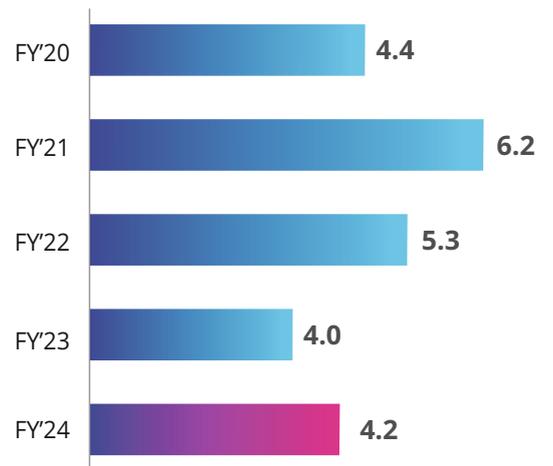


Re-classification due to RBI circular

30+ DPD >> **2.8%**  
in %



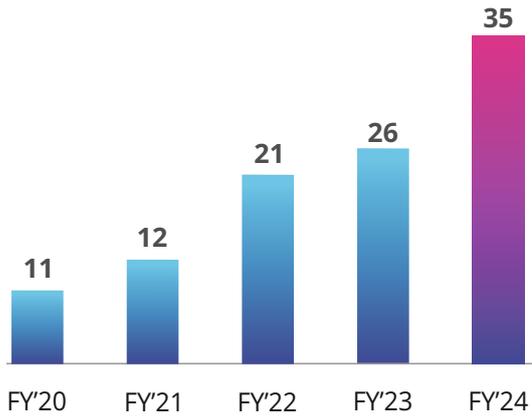
1+ DPD >> **4.2%**  
in %



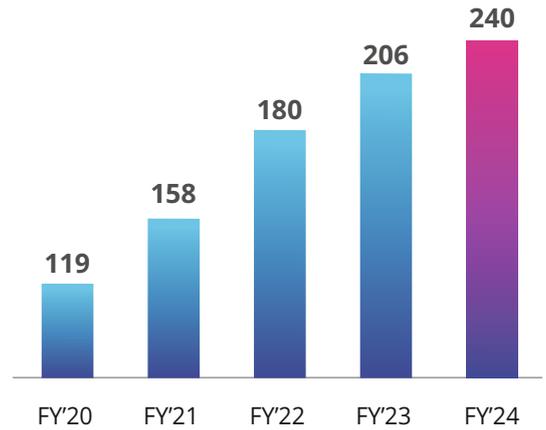
# Performance Highlights

## Operational Metrics

EPS\* >> ₹35

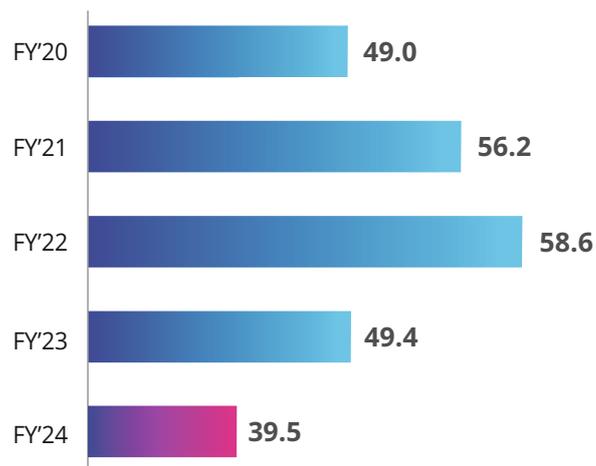


BVPS\* >> ₹240



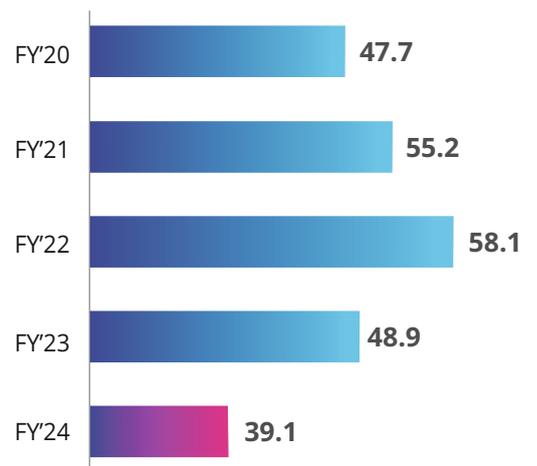
CRAR >> 39.5%

in %



CRAR- Tier 1 >> 39.1%

in %



\*EPS and BVPS for FY20, FY21, FY22, FY23 and FY24 is computed using Face Value per share of ₹2 post considering sub-division of shares.

# Chairman's Statement

*"Improvement in social infrastructure and employment opportunities have given an impetus to demand in towns beyond the Top 8 markets"*

**Deepak Satwalekar**

Chairman / Independent /  
Non-Executive Director



**Dear Shareholders,**

I feel happy to write this letter again highlighting your Company's performance for the year FY24 and sharing our strategy for achieving future growth.

India's economy has been the most resilient economy globally. I am saying this because India has delivered growth in every year despite all the disruptions, internal and external, that India has witnessed in the past like demonetisation, IL&FS crisis, GST implementation, war in Europe, turmoil in the Middle East, etc. with the only exception of FY21 which was a Covid impacted year.

Potential of the Indian economy is high given the domestic consumption pattern, the structure of the economy and with exports expected to grow with China +1 theme. The economy can grow at higher growth rates vis-à-vis global peers as highlighted by the International Monetary Fund (IMF) outlook. In CY23, India's GDP delivered strong growth of 7.8% vs global growth of 3.2% (as per IMF) despite the ongoing Russia-Ukraine & Israel-Gaza conflicts and Red Sea Crisis which impacted the global logistics industry and Indian exports to an extent. If we hadn't faced these issues, global economic growth would have been better & India's GDP growth possibly would have potentially been higher.

Government's prudent fiscal policies controlled the deficit while proceeding with significant infrastructure creation. The government is focusing on laying a strong foundation for sustainable high growth in the long-term for the Indian economy. Production Linked Incentive (PLI) schemes are considered a positive step by the industry and there is a strong belief in Private sector capex returning with a big bang in the near future as capacity utilization improves. Government driven capex on Infrastructure has provided an impetus to growth while creating an enabling environment for future economic growth.

India has taken major steps in using technology to enable deepening of financial reach through digital medium. HomeFirst has always focused on using Technology to drive transparency & scalability. IndiaStack (India's "Digital Public Infrastructure / DPI") has supported our journey, bringing more efficiency in the processes right from sourcing customers, collecting / verifying KYC documents to collections. HomeFirst has leveraged technology to drive operational efficiency, deliver faster turnarounds as an important differentiator and reduce costs. DPI has further helped your company to drive productivity. We have always welcomed new products like account aggregators, etc. Your company is admired by stakeholders including regulators, lenders, employees and vendors in building a sustainable and scalable business model. We are focused on maintaining the lead on technology usage in business and service customers & other stakeholders in the best possible way. Our tech stack also helps us to stay true to our core values of being "Swift, Transparent and Unconventional".

Housing sales in India have remained resilient despite 250 bps rise in repo rates by Reserve Bank of India (RBI) in the past 2 years. HomeFirst continues to focus on the Housing Finance business as the opportunity is large and presents a multi-decadal opportunity in this segment itself. With such a large population to address and requiring special knowledge of underwriting informal customers, low mortgage to GDP penetration vs peer countries, multiple upstream and downstream benefits of housing construction, I have no doubt in my mind that housing finance players have a large market to cater to and HomeFirst with industry leading processes and practices will continue to show profitable growth.

Improvement in social infrastructure and employment opportunities have given an impetus to demand in towns beyond the Top 8 markets giving rise to markets such Lucknow, Nagpur, Indore, Jaipur, Rajkot, etc. which has now become our engines for growth. Consequently, our distribution reach is widening. During FY24, your Company added 56 touchpoints to reach a total of 321 touchpoints. 22 physical branches were added to reach a total of 133 branches. HomeFirst is planning to add another 20-25 physical branches annually to reach about 200 branches and about 60-70 touch points to reach 500 touchpoints by March 2027.

On the business front, FY24 has been a fulfilling year with AUM growth of 34.7% over previous year. HomeFirst disbursals at ₹ 3,963 Crs and helped AUM to cross ₹9,698 Crs. This growth in business scale is delivered without compromising on asset quality with GNPA's under control at 1.7% (pre-RBI circular GNPA is 1.1%). We focus early on delays in payments to reduce flowthrough to later buckets.

During the year, credit rating agency "India Ratings & Research" (100% owned by Fitch Group) revised Outlook from "AA- Stable" to "AA- Positive". This signifies HomeFirst's strong financial profile along with its ability to maintain adequate liquidity and exhibit efficient capital management. We continue to diversify our funding sources. Your Company continues to have strong relations with leading commercial banks in the country enabling it to raise funding through term loans, non-convertible debentures, direct assignment of loans to banks thus maintaining healthy liquidity in these uncertain times. Refinance from NHB continues as an important source of funding for affordable housing including HomeFirst.

Your Company has delivered an ROE of 15.5% in FY24. We will continue to improve on this number in the coming year. Also, considering the profitable trend and capital buffers that we have, the Board of Directors, after due deliberation, keeping in mind the expectation of various shareholders, has decided on a dividend of ₹3.4 per share (from ₹ 2.6 per share declared for FY23).

Dedicated to fostering community empowerment and environmental sustainability, our ESG initiatives prioritize uplifting select neighborhoods with migrant populations toward self-sufficiency. The CSR programs are aimed at skilling and employment for youths and young adults, educational programs for school children, and timely medical assistance in the form of free check-ups for the region's all-round development. The scope of these initiatives has accommodated 2,000+ migrant households and we are committed to expanding our influence for a broader impact.

In line with India's mission to go carbon neutral by 2070, your company partnered with the IFC to develop a green portfolio of Affordable Individual Homes. These homes are 20% more energy efficient with lower energy consumption, and water usage. As we look to the future, our pledge remains unwavering - we will continue to improve our lending practices with a responsibility towards the environment, ensuring a sustainable legacy for generations to come.

Your Company received additional validation on ESG initiatives from S&P ESG Rating with a score of 34. This adds our visibility to stakeholders on ESG related initiatives. Morningstar's Sustainalytics continues to assign industry leading ESG score to HomeFirst in low-risk category.

During the year, HomeFirst has also been granted a Corporate Agent ("Composite") license for soliciting life, general and health insurance by IRDAI. This will allow us to offer insurance to our customers and ensure that the home loans are protected by the insurer in case of any eventuality at the customer's end.

HomeFirst has a profitable business model which will grow larger through a calibrated expansion strategy, focus on customer requirements, quality of the book and a diversified lender base. We value the support provided by all stakeholders, National Housing Bank (NHB), Reserve Bank of India (RBI), our customers, lenders, rating agencies, management team and my colleagues on the Board. The unwavering efforts of our employees who are our brand ambassadors on ground is deeply appreciated as we could not have achieved this industry leading performance without them.

**Thank You,**  
Deepak Satwalekar,  
Chairman & Independent Director

# From the desk of MD & CEO

*"Take a simple idea, and take it seriously" said Charlie Munger, the late vice chairman of Berkshire Hathaway and Warren Buffet's long-time partner.*

*"Housing loans for first time borrowers in low- and middle-income segments was one such simple idea, an idea that we at HomeFirst decided to take seriously from 2010 when the Company was set up."*

## Manoj Viswanathan

Managing Director and CEO



### Dear Shareholders,

The word "Normal" means – "usual, typical, or expected". Turbulence is apparently the new normal and we are expected to be prepared for it. Does that mean the year gone by was abnormal? Confusing to say the least.

FY23-24 started out in an uninteresting manner and was at risk of being labelled an uneventful year. The year did go on to become more exciting, sprinkled with some inspiring and a few disturbing events. In August, India's Chandrayaan-3 became the first spacecraft to land near the south pole of the Moon, carrying a lunar lander named Vikram and a lunar rover named Pragyan. A proud moment for all of us. The major global event during the year was however, the war in the Middle East that commenced in October 2023.

Keeping aside the epidemic of conflicts raging in various parts of the world, the year was marked with many mundane matters like the ebb and flow of inflation and policy rates, the build up to the elections, growth of electronics exports, farmer protests etc.

Relative "normalcy" gave us time to focus on the building blocks of the business.

Till 2023, the Western and Southern States (Focus States) were HomeFirst's favourite markets. They were high GDP contributors with a higher degree of industrialization, urbanization and exports growth. Our decision to focus on these States had paid off, resulting in strong CAGR over several years. Our 111 branches and 265 touchpoints were concentrated in the Focus States (88 and 219). During the year, our thought process underwent a fundamental change. There were two or three significant developments that led to this. One significant fact was that the combined population of Rajasthan, Uttar Pradesh and Madhya Pradesh had crossed 400 Mn (~population of 6 Focus States). The per capita incomes in these 3 Emerging States had all crossed \$1,000 on nominal basis and \$4,000 on a PPP basis in FY23. The law and order and public infrastructure in these States had also improved substantially. All of these developments were catalysts for rapid urbanization and industrial growth which in turn spur the demand for affordable housing. In FY23-24 we invested in people and distribution in the Emerging States by adding 7 new branches in these States (32% of new branch addition). During the year, Emerging States contributed 20% to the Company's disbursements. With new additions in touchpoints, branches and people, these Emerging States are now poised to exchange places with "Focus States" in the next 2-3 years.

We started the year with an AUM of ₹ 7,198 Crs (Mar '23) with

the aim to reach the ₹10,000 Crs mark in 12-18 months. We crossed the milestone in 13 months and 15 days. Having reached base camp, we have now set our sights on the next milestone of ₹ 20,000 Crs by March 2027.

Policy rate (which was already elevated) did not undergo any change during the year. Borrowing costs on the other hand did see an uptick. For HomeFirst it moved up from 8% in Q1 to 8.2% in Q4. Spreads were range bound from 5.7% to 5.4% during the year. An ROA of 3.8% with financial leverage expanding from 3.5x (FY23) to 4.1x (FY24) enabled us to deliver an ROE of 15.5% for the full year compared to 13.5% for FY23. In Q4, the ROE has reached 16.1%. PAT expanded from ₹ 228 Crs in FY23 to ₹ 306 Crs in FY24. Asset quality remained strong with GNPA range bound at 1.6 to 1.7% and a credit loss of 30 bps for the full year. Our long-term rating outlook has been upgraded from AA- (Stable outlook) to AA- (Positive outlook) by India Ratings – one of our 3 rating agencies. This starts a very important journey for us to move to the next rating category. Our funding profile has expanded to 31 lenders in this year. Co-lending started as a new initiative in FY23 targeted to win more 'formal' customers in the affordable segment. In FY24, we saw it attain momentum. Co-lending disbursements increased from ₹ 111 Crs in FY23 to ₹ 267 Crs in FY24.

FY24 was a difficult year for the technology industry with large scale lay-offs and debates on jobs being 'eaten away' by AI. HomeFirst continued to forge ahead with technological initiatives targeted towards improvement in productivity and customer experience. Account Aggregator became mainstream reaching a 47% penetration rate in Q4. Productivity enhancement tools like e-Sign and e-Stamp reach higher penetration levels of 67% and 64% respectively in FY24.

We have devoted time to strengthening our cyber security and safeguarding our digital information and assets. We have improved our end point security, identity and access management and overall awareness to security across the organization.

Overall, it has been a good year for HomeFirst and the size of the opportunity in front of us remains large. The challenges faced by first time home buyers in the affordable segment with incomes < ₹ 0.6 Mn p.a, have not changed much in several years. Inability to meet the documentation requirements and

the time-consuming process at the hands of large lenders continue to deter customers from home ownership. Middle men make things worse while claiming to make it easy.

"Take a simple idea, and take it seriously" said Charlie Munger, the late vice chairman of Berkshire Hathaway and Warren Buffet's long-time partner. Housing loans for first time borrowers in low and middle-income segments was one such simple idea, an idea that we at HomeFirst decided to take seriously from 2010 when the Company was set up. Drawing insights from our customer journeys, we have built unique capabilities to originate, underwrite and collect payments from affordable housing loan customers. Our origination model through 'connectors' facilitates our grass-root connect with potential customers. Connectors are builders, carpenters, insurance agents, etc. who are embedded in the community where the customer resides. More than 5,000 such connectors are actively engaged with us through the year via our mobile app. We have refined our underwriting methods over the years to include digital imprints of our customers and their properties. Home visits combined with our digital approach to evaluating the ability and intention of the customer has enabled us to set an industry leading benchmark of 48 hours for our loan approvals<sup>1</sup>. Our initiatives on automation<sup>2</sup> help us maintain high productivity metrics (high disbursement per employee, high AUM per branch and low Opex to AUM ratios). Our ability to marry a traditional business with modern tools enhances our relevance in an increasingly digital world.

Our lean team (of 1249 people) continue to mature and evolve. A large market, marked with low market shares and many unsolved problems presents itself in front of us. We are excited about building HomeFirst as a preferred brand name in the affordable housing industry, known for its extraordinary speed and service. Strong governance and responsible lending with focus on compliance and risk management will guide our actions as we strive towards delivering exceptional value to all our stakeholders.

**Thank You,**  
Manoj Viswanathan  
Managing Director and CEO

<sup>1</sup> 89% of our loans were approved in 48 hours

<sup>2</sup> Account Aggregator adoption. Adoption of e-Sign and e-Stamp for loan documents

# OUR STRATEGIC PRIORITIES

TECH IN MIND

SCALE AND GROWTH

OPERATIONAL EFFICIENCY

FUNDING

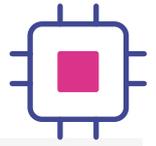
RISK MANAGEMENT

ESG

*Find this section as a guide to how HomeFirst internalises the principles and values that work towards its vision and mission. Our priorities are set and this section tells you how we follow up on those through our Strategic Priorities.*

*It is our comprehensive outline that we have defined and stayed focused on and the section provides an update on the same during the FY24.*

# TECH IN MIND



## What we plan to do

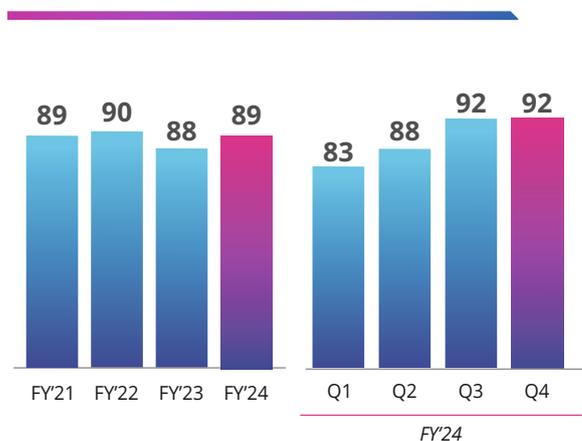
Technological innovations to better inform and assist our customers, and improve operational efficiency.

## How will we measure it

Customer NPS >>



Loans Approved within 48 hrs (in %) >>



## Building blocks and what is on our mind

We cannot overemphasise the **centrality and significance of technology to our strategic priorities**. India's digital revolution has changed the lending industry and HomeFirst is at the forefront of this wave.

Technology goes into our processes, maintains transparency, and assists in **underwriting**. For efficiency and accuracy, internal processes are constantly being upgraded and automated.

In our service and support towards our customers and channel partners, we have developed mobile applications for smooth communication. AI-driven interfaces and digital payment methods have made us faster and more accessible.

Opex to asset (in %) >>



# SCALE AND GROWTH

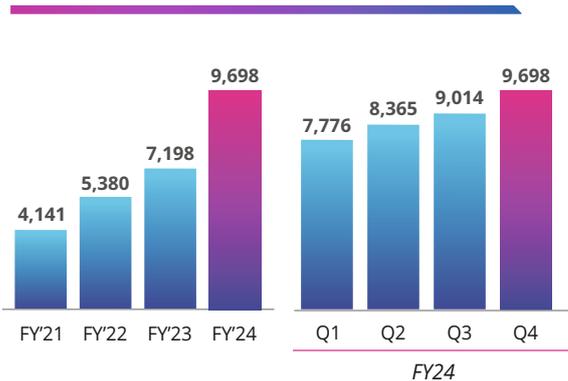


## What we plan to do

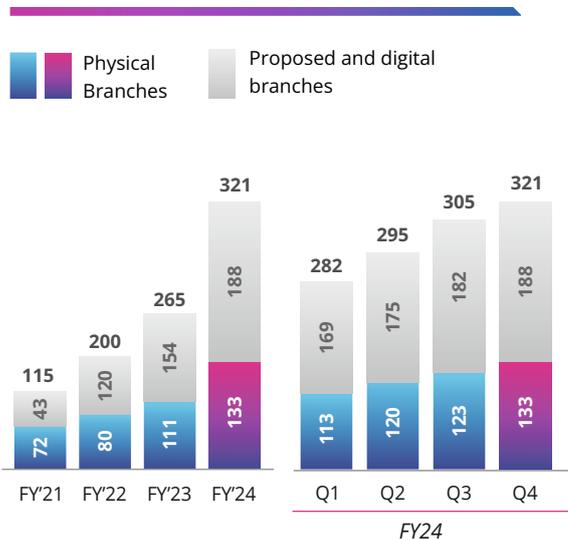
With an impermeable foundation of technology, customer base, and efficient operations, we now springboard to an even steeper scale and growth.

## How will we measure it

AUM Growth (in ₹ Crs) >>



Footprint >>



## Building blocks and what is on our mind

After the incredible run of 14 years, we find ourselves at the base camp, eying the steep climb ahead. The travel so far has got all our essentials in place. We are now geared up, not just to scale the housing Everest, but to leave an indelible mark on the industry.

To have reached this base camp, technology has been an indispensable tool in our gear. It has been our sturdy rope, providing us with the support and stability needed to ascend the challenging terrain. With innovative software and digital solutions, the rope is tried and tested. It will act as our lifeline in the climb up ahead.

We are expanding in a contiguous manner, branching from strong points and deepening into new territories. Our goal is clear—expanding presence in active locations, covering all the pin codes, and accessing the entire market. We've seen significant success in Gujarat, Maharashtra, Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu, and now we're turning our attention to the promising markets of Uttar Pradesh, Madhya Pradesh and Rajasthan.

We are ready and prepared, and now there is no summit out of our reach.

# OPERATIONAL EFFICIENCY

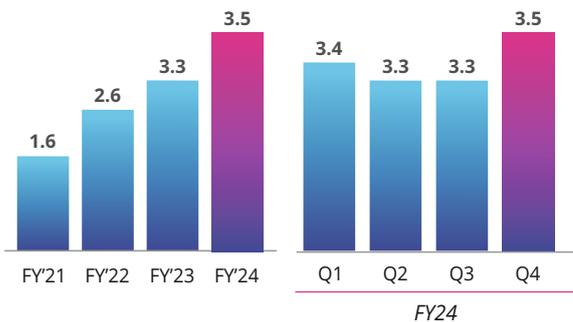


## What we plan to do

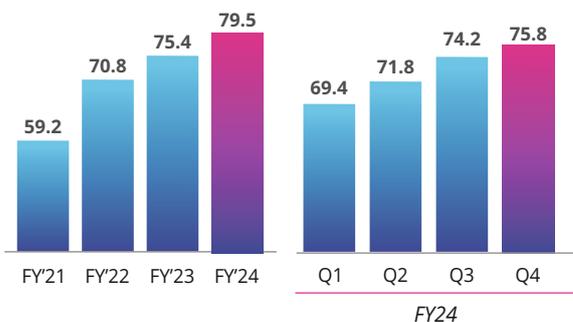
Build a lean and clean organisation with empowered teams, clear process flows, and a high degree of automation.

## How will we measure it

Disbursement / Employee (in ₹ Crs) >>



AUM / Branch (in ₹ Crs) >>



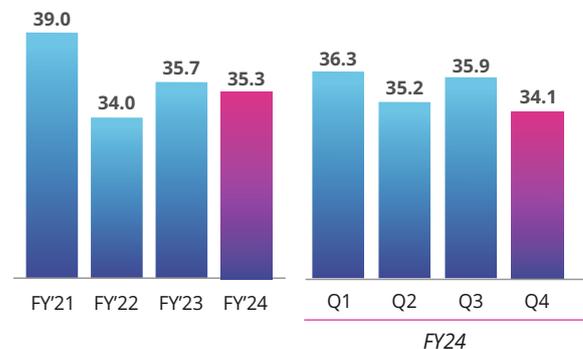
## Building blocks and what is on our mind

To build a company that empowers others, we focus on empowering our team with training and talent growth, prioritising high achievers for fast-track advancement. We have built an environment that values individual strengths and diversity in our workforce.

Our hardworking employees are focused on automating the processes that allow for time and dedication toward customer service and experience, connector management, business generation, and collections.

We're committed to enhancing productivity across all our branches and among our employees. By leveraging technology, we can eliminate routine tasks and empower each of us to make more impactful contributions to our shared success.

Cost to Income (in %) >>



# FUNDING

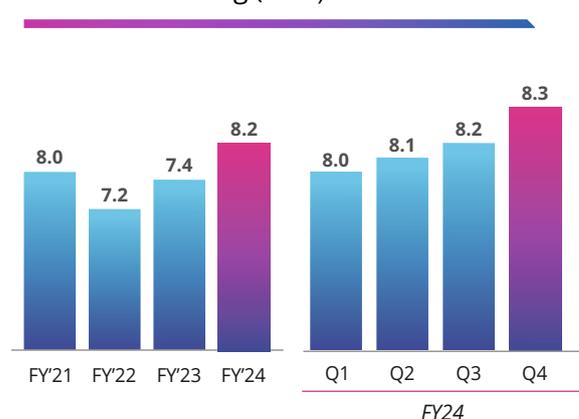


## What we plan to do

Have diverse sources of funding and optimize the borrowing costs.

## How will we measure it

Cost of borrowing (in %) >>



## Building blocks and what is on our mind

As we expand our operations, we aim to diversify our borrowing sources across different capital pools while adhering to the crucial principles of Asset and Liability Management (ALM). Our commitment to maintaining a robust ALM framework guides our funding decisions, ensuring stability and sustainability. Through consistent strong performance, we anticipate improvements in our credit ratings, enabling us to reduce borrowing costs effectively.

Rating Agency	Instrument	Credit Ratings FY22	Credit Ratings FY23	Credit Ratings FY24
CARE Ratings	Long-term Bank Facilities	A+ (stable)	AA- (stable)	AA- (stable)
ICRA Limited	Term Loans and NCD	A+ (positive)	AA- (stable)	AA- (stable)
	Commercial Paper	A1+	A1+	A1+
India Ratings & Research	Term Loans and NCD	AA- (stable)	AA- (stable)	AA- (positive)
	Commercial Paper	A1+	A1+	A1+

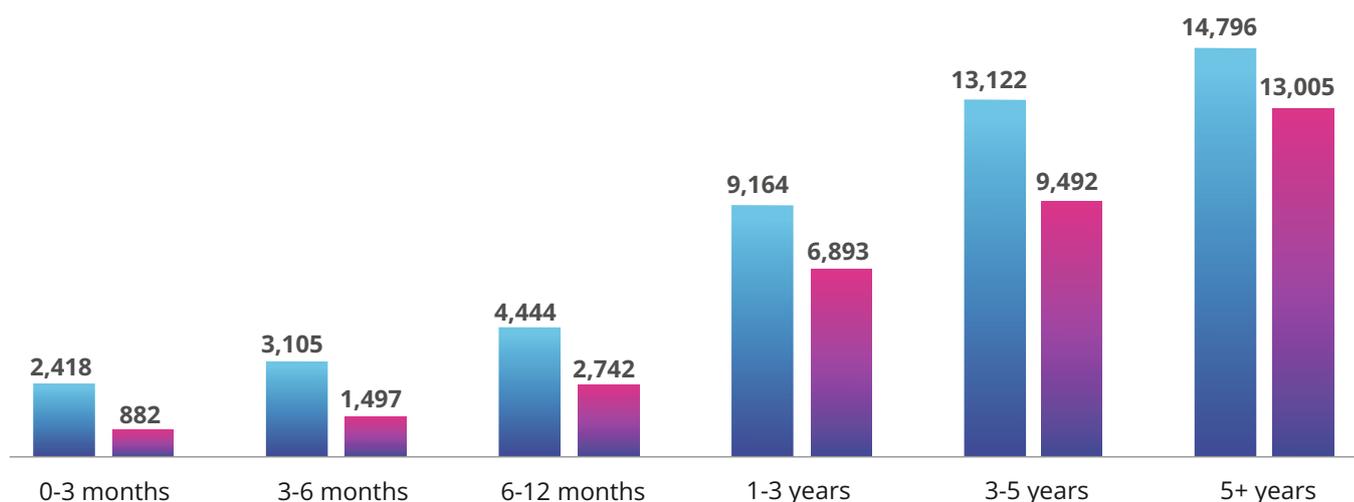
## Diversified Lender Base &gt;&gt;

Lender	FY20	FY21	FY22	FY23	FY24
Bi/Multilateral	-	-	-	-	-
Foreign Bank	-	-	1	3	3
Insurance	-	-	-	-	-
MF	-	-	1	-	-
NBFC	1	1	2	2	3
NHB	1	1	1	1	1
Public Sector Banks	5	6	6	6	9
Private Sector Banks	9	9	10	13	14
SFB	-	-	-	-	-
DFI	-	-	-	1	1
<b>Grand Total</b>	<b>16</b>	<b>17</b>	<b>21</b>	<b>26</b>	<b>31</b>

## ALM Position - Cumulative as of Mar'24 (in ₹ Crs) &gt;&gt;

■ Inflow
 ■ Outflow

Surplus (₹ Crs)      **1,536**                      **1,608**                      **1,702**                      **2,271**                      **3,630**                      **1,791**



# RISK MANAGEMENT

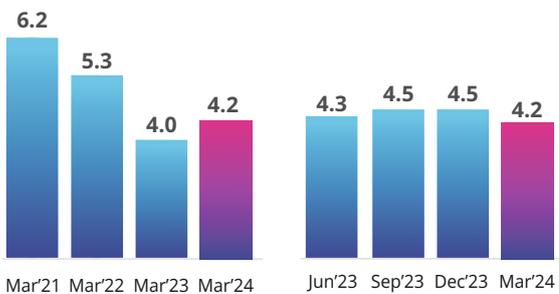


## What we plan to do

Boost organisational resilience by strengthening the Risk Management Framework.

## How will we measure it

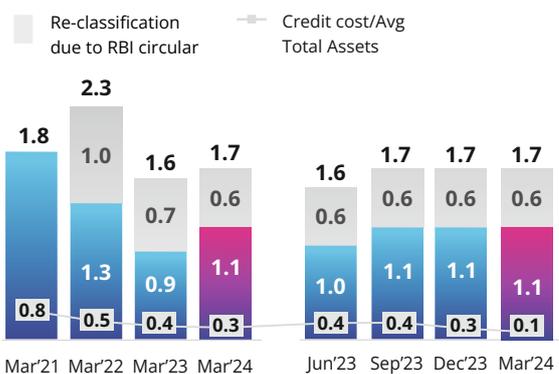
1+DPD (in %) >>



30+ DPD (in %) >>



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

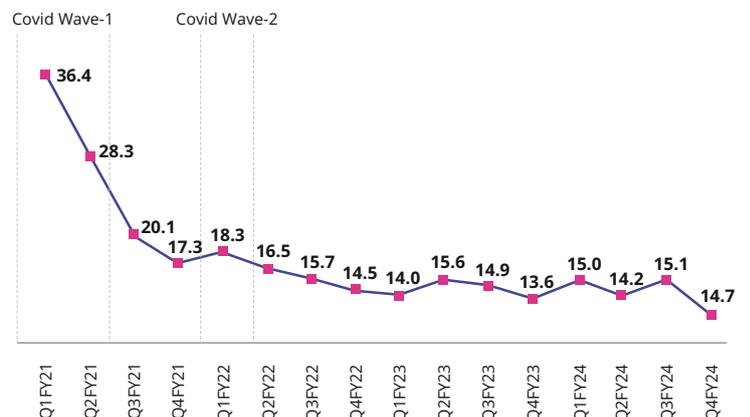


## Building blocks and what is on our mind

As we scale our operations and expand our reach, we remain dedicated to investing in and enhancing our risk management practices. We ensure our processes are resilient and secure by guiding our teams toward desired norms and building robust compliance and monitoring systems. Smart companies adapt quickly to emerging threats, and we strive to be at the forefront of this adaptability.

At HomeFirst, we aim to continuously strengthen our risk and compliance monitoring practices as we grow. This approach allows us to proactively address potential challenges with tailored solutions, ensuring we stay ahead of any risks we may face. Together, we are building a stronger, more resilient HomeFirst.

Bounce Rates (in %) >>



# ESG



## What we plan to do

Adopt a holistic approach to assessing our company's sustainability and ethical performance, understand the impact of every action in every direction, and build a trust-worthy organisation

## Building blocks and what is on our mind

At the heart of our operations lies a commitment to sustainability, recognizing the profound value of ESG practices in fostering long-term growth. We focus on the broader impact of our actions on society through our products, governance, and environmental externalities. We have identified 12 key areas for immediate focus, all aimed at integrating sustainability deeper into our operations.

Environmentally, our efforts include engaging with a section of our customer base to transition towards green homes, reflecting our dedication to environmentally conscious living. To reduce our carbon footprint, we have implemented an end-to-end digital process, striving to remain paperless across our entire product cycle.

On the social front, we are particularly focusing on — migrant factory workers. Our flagship CSR initiative is dedicated to

the skilling and development of this segment and their overall socio-economic development.

Our comprehensive policy and governance framework are overseen by an experienced board and management team with diversified expertise across technology, financial inclusion, and risk management.

## How will we measure it

To ensure transparency and accountability, we obtain ESG assurance for our non-financial data, further detailed in this report.

#16.2

ESG Risk Score



(Categorising under "Low Risk Strong Management")

#Morningstar Sustainalytics

34

S&P Global ESG Score

# Board of Directors



**Deepak Satwalekar**

Chairman / Independent / Non-Executive Director

Mr. Deepak Satwalekar was associated with HDFC Limited as a Managing Director. He was also associated with HDFC Life Insurance Company Limited as MD & CEO from 2000 to 2008. Currently, he is associated with Wipro Limited as an Independent Director. He has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT). He has been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. He also served as the Chairman of the Board of Governors of the Indian Institute of Management, Indore. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington DC.



**Geeta Dutta Goel**

Independent / Non-Executive Director

Ms. Geeta Dutta Goel is the Managing 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. Ms. 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. She is currently an Independent Director on the boards of UTI Alternatives, Equitas Small Finance Bank, CIIE Co. and she is nominee director at Kaliedofin Private Limited. Geeta holds a bachelor's degree in Commerce from Lady Shri Ram College for Women, University of Delhi and a post graduate diploma in management from the IIM, Ahmedabad.



**Anuj Srivastava**

Independent / Non-Executive Director

Mr. Anuj Srivastava is the co-founder and Chief Executive Officer of Livspace – a home interiors and renovation platform. Before setting up Livspace, Anuj worked at Google's global HQ in Mountain View, where he led worldwide product marketing and growth functions for the e-Commerce, Shopping and Mobile Payments teams, Google local/ maps and online ad products such as AdSense. Mr. Anuj has completed his BTech at the IIT Kanpur and holds an MBA degree from London Business School where he received the prestigious "Accomplished Entrepreneurs' Award" in 2020.

# Board of Directors



**Sucharita Mukherjee**

Independent / Non-Executive Director

Ms. Sucharita Mukherjee is the co-founder and CEO of Kaleidofin, a fintech platform that provides intuitive and tailored financial solutions to over 4 million underbanked customers in India. Prior to Kaleidofin, she co-founded the Dvara group and served as the founding CEO of Dvara Holdings. She conceptualized and founded Northern Arc Capital, building capital markets access for financial inclusion and Northern Arc Investments, an alternatives fund management platform focused on informal sector finance. She has also worked with Morgan Stanley and Deutsche Bank in London. She was also chosen as one of the “top 40 under forty” business leaders by Economic Times in 2016 and received the IIM Ahmedabad, Young Alumni Achievers Award in 2017. She is an alumna of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University.



**Divya Sehgal**

Nominee / Non-Executive Director

Mr. Divya Sehgal is a Partner at True North and leads their investments in the Financial Services industry. Prior to joining True North, he started E-Medlife.com which was merged into Apollo Health Street. He has also worked as a consultant with McKinsey and Company, and with the corporate finance team at ANZ. He is currently associated as a director with AU Small Finance Bank Limited and Niva Bupa Health Insurance Company Limited. Mr. Divya holds a Bachelor’s degree in Electrical Engineering from IIT, Delhi and holds a Post Graduate Diploma in Management from IIM, Bengaluru.



**Maninder Singh Juneja**

Nominee / Non-Executive Director

Mr. Maninder Singh Juneja is Partner at True North and is involved in managing businesses in the financial services sector. Prior to True North, Mr. Maninder was the Group Head for ICICI Bank’s Retail Banking group, covering Strategy, Products, Small Business Loans, Branch Banking and distribution channels and has also held the position of vice-chairman at ICICI Home Finance Company Limited. He carries extensive experience across various industries such as Godrej GE Appliances Limited and many more. He has also served the Board of eminent companies including NPCI, CIBIL, IARC, IFBI, and ICICI Merchant Services. He is currently associated as a Director with Niva Bupa Health Insurance Company Limited; Fedbank Financial Services Limited; Fincare Business Services Limited; and Indifi Technologies Private Limited. Mr. Maninder holds bachelor’s degree in civil engineering from MS University of Baroda and a post graduate diploma in management from IIM Lucknow.

# Board of Directors



**Narendra Ostawal**

Nominee / Non-Executive Director

Mr. Narendra Ostawal joined Warburg Pincus in 2007 and is currently designated as Managing Director and leads the Warburg Pincus' investment advisory activities in India. 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, Fusion Micro Finance Limited, IndiaFirst Life Insurance Company Limited, Vistaar Financial Services Private Limited, Micro Life Sciences Private Limited and more. Mr. Narendra is a Chartered Accountant and an MBA from IIM, Bangalore.



**Manoj Viswanathan**

Managing Director and CEO

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

# Management Team



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**Manoj Viswanathan**

Chief Executive Officer

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

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



13 / 21

**Gaurav Mohta**

Chief Marketing Officer

Gaurav Mohta is the Chief Marketing Officer of our Company. He is a mechanical engineer and has done his post graduate diploma in business administration from ICFAI Business School, Hyderabad. He has over 21 years of experience in consumer finance, marketing and product management. At Home First, he has been instrumental in setting up sales distribution and evolving the brand identity of the company.

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



12 / 24

**Ajay Khetan**

Chief Business Officer

Ajay Khetan is the Chief Business Officer of our Company. He is a Mechanical Engineer and has done his post graduate diploma in management from Xavier Institute of Management, Bhubaneswar. He has over 24 years of experience in Consumer finance, Operations and Risk Management.

**Past Work Experience:** Macquarie Finance (India) Private Limited, Hewlett Packard Financial Services (India) Private Limited, CitiFinancial Consumer Finance India Private Limited, MIRC Electronics Limited, The Tata Engineering and Locomotive Company Limited.



9 / 21

**Vilasini Subramaniam**

Head - Strategic Alliances

Vilasini Subramaniam is the Head – Strategic Alliances of our Company. In her current role she is working on building a new distribution channel through alliance partnerships and enhanced digital process flows. She also manages product development & value added services for existing customers across the life-cycle of their loans. In her previous role in the company she worked as Vice President – Credit & Risk, managing consumer credit and other operational risk parameters. She is a commerce graduate and a Chartered accountant and has over 21 years of experience in consumer finance and credit. She has handled Credit Underwriting, Product Development, Analytics & Business Strategy in her prior work experience.

**Past Work Experience:** Micro Housing Finance Corporation, Janalakshmi Financial Services, Citibank India.

- Years at homefirst
- Total years of experience

# Management Team



5 17

**Nutan Gaba Patwari**

Chief Financial Officer

Nutan Gaba Patwari is the Chief Financial Officer of our Company. She is a qualified Chartered Accountant. She has over 17 years of experience in finance. In her last stint, she was with True North as a Vice President – Finance; responsible for the implementation of strategy of the Financial services portfolio companies. She leads the Accounts, Tax, Finance and Treasury, Secretarial, Investor relations and FP&A functions of the Company.

**Past Work Experience:** True North, Hindustan Unilever Limited, ITC Limited, Philip Morris Asia Limited.



5 18

**Ramakrishna Vyamajala**

Chief Human Resource Officer

Ramakrishna Vyamajala is the Chief Human Resources Officer of our Company. He has done post graduate diploma in management from T.A. Pai Management Institute. He has over 18 years of experience in human resources, rewards and recognition, compensation and benefits.

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



2 19

**Ashishkumar Darji**

Chief Risk Officer

Ashishkumar Darji is the Chief Risk Officer of our Company. He is a Chartered Accountant and he has also completed his bachelor's degree in law and banking from the University of Mumbai. He is a risk management professional with an experience of 19 years in the Banking and Financial Services sector. His experience spans regulatory compliance, risk management and risk modelling.

**Past Work Experience:** KPMG, State Bank of India, Kotak Securities Limited and Clearing Corporation of India Limited.



6 22

**Arunchandra Jupalli**

Business Head - South

Arunchandra Jupalli is the Business Head - South of our Company. He is a commerce graduate and holds a master's degree in business studies from Bharati Vidyapeeth. He has over 22 years of experience in consumer lending business handling various products like Consumer Durable Finance, PL, Insurance, GL and LAP.

**Past Work Experience:** Atlantic Duncans International (P) Limited, India Office Solutions Private Limited, Citi Financial Consumer Finance India Limited, Net Ambit Value First Services Limited, Karvy Financial Services Limited and Small Business FinCredit India Private Limited.

■ Years at homefirst  
■ Total years of experience

# Management Team



6 21

**Abhijeet Jamkhindikar**

Business Head - Maharashtra

Abhijeet Jamkhindikar is the Business Head – Maharashtra of our Company. He holds a bachelor's degree in civil engineering from Nagpur University. He was a member of Institution of Valuers and has completed the foundation course in property valuation of the Royal Institute of Chartered Surveyors India [RICS] Property Valuation. He has 21 years of experience in construction finance (for developers), finance, valuations, technical appraisals and business development.

**Past Work Experience:** C-Net Solutions India Private Limited, Housing Development Finance Corporation Limited (HDFC Ltd).



7 15

**Shreyans Bachhawat**

Company Secretary

Shreyans Bachhawat is the Company Secretary and Compliance Officer of our Company. He has over 15 years of Post qualification experience in corporate secretarial compliances.

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



New 17

**Rupesh Mehta\***

Head Technology

Rupesh Mehta holds a B.E in Electronics from Thadomal Shahani Engineering College, Mumbai and MBA degree in Marketing and Systems from Welingkar Institute of Management, Mumbai. He has over 17 years of techno functional experience in designing and delivering solutions in the banking and insurance domains. In his last assignment, he was the Director of Technology Management at Fidelity Investments where he was responsible for managing enterprise-wide fully cloud-based digital document repository and workflow automation solutions.

**Past Work Experience:** Fidelity Investments, Bankbazaar.

\*Appointment approved on 8th May'24

■ Years at homefirst  
■ Total years of experience



Home\_First • Follow



**Darshnaben**

*Sashakt Beneficiary*

***Freelancer, Beauty Therapist***

# SUSTAIN

# ABILITY

REPORT

# Snapshot

## Financial Capital Management

₹ 9,698 Crs

Gross Loan Assets (AUM)  
 ▲ 34.7% y-o-y

95,512

Active Customers  
 ▲ 23.2% y-o-y

₹ 1,157 Crs

Total Income (Crs)  
 ▲ 45.4% y-o-y

₹ 306 Crs

PAT (Crs)  
 ▲ 33.9% y-o-y

15.5%

Return on Equity  
 ▲ 200 bps

3.8%

Return on Assets  
 ▼ -10 bps

## Credit Rating

AA- Positive  
(IndRA)

AA- Stable  
(ICRA)

AA- Stable  
(CARE)

## Social and Relationship Capital Management

88%

Of loans has woman  
as a borrower

14%

Of AUM have woman  
as Primary applicant

76%

of AUM having atleast  
1 woman co-borrower

45,000+

CSR beneficiaries Impacted

## Human Capital Management

1,249

No of employees

13,495

Total manhours of training

29%

Women employees

51%

Women at head office

## Natural Capital Management

764 kWh

Energy Intensity per ₹ crores  
of turnover

10

Solar Pumps for  
Marginal Farmers

Rainwater  
Harvesting

Implemented at a  
School in Narol

## Intellectual Capital Management

67%

Agreements signing digitally  
during the year

64%

E-Stamping during the year

68%

E-NACH mandates during the year

## ESG Ratings

34

S&P Global ESG Score

16.2

Low Risk  
Strong Management

Morningstar Sustainalytics  
ESG Risk Rating:

# Overview by MD & CEO



Environmental, Social and Governance factors are undisputably positive for businesses. However, as can be seen in headlines like the ones above, ESG has transitioned from a topic of consensus to a controversial issue with strong proponents on one side (who may need extra security) to staunch naysayers on the other end of the spectrum. From a period of extreme hype we now are now moving into a period of moderate to serious scepticism on the topic.

In India, the government has set a goal of reducing its carbon emissions by 50% by 2030, achieving net zero emissions by 2070, promoting sustainable development across various sectors. SEBI has introduced the Business Responsibility and Sustainability Reporting (BRSR) framework, requiring listed companies to disclose their ESG parameters. The introduction of BRSR Core by SEBI further underscores the regulatory push towards sustainability, urging companies to enhance their ESG practices and disclosures.

At HomeFirst, sustainable business practices have been part of our ethos and DNA right from inception. We believe that the controversy surrounding ESG is an opportunity to “lean in” rather than pause our initiatives in this area.

In the fiscal year 2024, HomeFirst continued to strengthen its ESG efforts. We remain committed to promoting financial inclusion through affordable housing finance. We continue to align our sustainability initiatives with the United Nations Sustainable Development Goals (SDGs) that demonstrate a commitment to advancing global development priorities such as poverty alleviation, affordable housing, gender equality, and climate action. We believe we can make a meaningful impact on society while driving business growth and innovation.

Integrating ESG considerations into business operations enables HomeFirst to identify and mitigate environmental and social risks more effectively. Engaging with stakeholders on sustainability issues builds trust, enhances brand reputation, and strengthens relationships with customers, investors, and communities.

By demonstrating a commitment to ESG principles, HomeFirst strives to foster a positive impact on society while gaining the support and loyalty of stakeholders.

Effective corporate governance is essential for ensuring transparency, accountability, and ethical conduct within the organisation. By implementing robust

## Overview by MD & CEO



governance structures, policies, and practices, HomeFirst strives to enhance stakeholder trust, minimize risks, and promote long-term sustainability. Strong corporate governance frameworks also enable HomeFirst to adapt to changing regulatory requirements, manage conflicts of interest, and maintain integrity in our operations.

With the Green Home project, we plan to make homes environmentally friendly and 20% more energy efficient: reducing energy consumption, minimising water usage, and lowering the overall carbon footprint. Green housing not only benefits the environment but also leads to cost savings for homeowners through reduced utility bills and improved indoor air quality. As of the end of fiscal year 2024, 230 customers are onboarded with us for constructing Green Homes and 8 have already completed implementation pending certification.

At HomeFirst, we hold our people and workplace culture in high esteem. Our team is characterized by its youthfulness and diversity, injecting vibrancy into our workplace. Their eagerness to embrace new challenges keeps us at the forefront, ensuring consistently high productivity. We strive to upgrade employee skills by providing them with training programs such as Executive MBA program with IIM-Calcutta, Postgraduate Certificate Programme for Emerging CFOs at IIM Indore, Executive Program in Advanced Business Analytics at IIM Ahmedabad and AWS programs. We place a strong emphasis on training and development, having delivered over 13,495 manhours of training covering various functional and behavioural domains.

Our CSR endeavours are centred around enhancing the socio-economic well-being of migrant workers. Our flagship project, Project Sashakt, is dedicated to activities such as skill development, employment facilitation, children's education, school enhancement, healthcare, and financial education. Our efforts aim to empower migrant communities residing in Narol, Ahmedabad, fostering sustainable income generation.

Presently, we have expanded our reach to benefit over 3,500+ families. Additionally, we promote sustainability within these communities by implementing solar energy water pumps helping marginalized farmers with higher cultivation and rainwater harvesting projects at one of the schools.

HomeFirst's commitment to sustainability is reflected in our strong governance framework, digital initiatives, diversity, and financial inclusion efforts. We continue to be scored 'Low-Risk' Strong Management with an ESG Risk Rating of Score 16.2 from MorningStar Sustainalytics. Additionally, during the year, we were rated by S&P Global with an ESG Score of 34. We are proud to have one of the best ESG Risk Ratings for Indian BFSI companies.

In conclusion, HomeFirst continues to invest in its sustainable initiatives. From regulatory compliance to shareholder expectations and global sustainability goals, we are recognizing the imperative of integrating ESG principles into our business strategies. By prioritizing sustainability, we plan to enhance risk management, strengthen stakeholder relationships, drive innovation, and contribute to a more sustainable and equitable future for all while building resilience and creating value for our stakeholders.

“ At HomeFirst, sustainable business practices have been part of our ethos and DNA right from inception. We believe that the controversy surrounding ESG is an opportunity to “lean in” rather than pause our initiatives in this area.

# How We Create Value

## Inputs

### Financial Capital

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

### Natural Capital

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

### Human Capital

- Employees
- Learning & Development
- Employee Engagement
- Young Workforce

### Social & Relationship Capital

- Livelihood Creation
- Financial Inclusion
- Customer Engagement
- CSR Initiatives
- Investors / Lenders / Rating Agencies Engagement
- Regulators

### Intellectual Capital

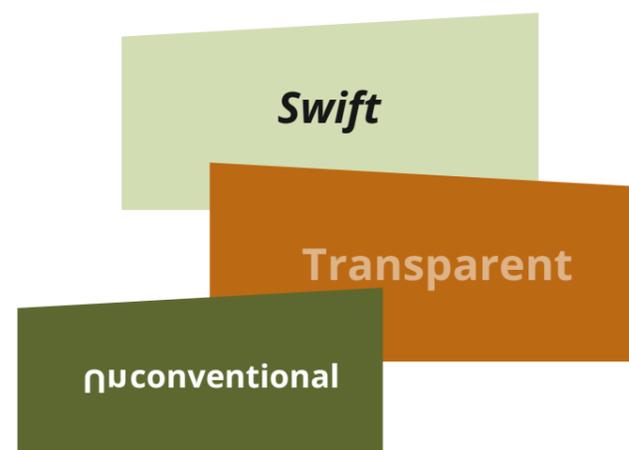
- Digital Initiatives
- E-NACH, E-Sign, E-Vault
- Account Aggregator
- Mobility Solutions
- Instant Soft Approval on App
- Biometric Authentication on Customer App
- Stable and scalable technology infrastructure
- Robust Cybersecurity Framework

## Value Creation Approach

### External Environment

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

### Our Values



### Value Enablers

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

## Outputs

### Financial Capital

- 34.7% y-o-y AUM Growth
- 34.7 EPS
- 3.8% ROA
- 15.5% ROE

### Natural Capital

- 16.2 ESG Risk Rating
- 764 kWh - Energy Intensity per ₹ crores of turnover
- Installation of Solar Pumps for 10 marginal farmers

### Human Capital

- 13,495 Manhours Training
- 26.0 years Median Age
- 29% Woman Employees
- 22% Females in Senior Management

### Social & Relationship Capital

- 87% of Book with Ticket Size Below ₹25 Lakhs
- 63%+ of AUM are EWS and LIG customers
- 45,000+ CSR Beneficiaries
- 79 NPS Score

### Intellectual Capital

- 4.1 Customer App Rating (06 May'24)
- 95% Customers Registered on App
- 89% Service Request Raised on App
- 67% Digitally Signed Agreements
- 64% E-stamping
- 47% Account Aggregator

## Outcomes

### Customers

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

### Employees

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

### Regulators & Government

- Strong Governance Framework
- ESG Compliant
- Compliance

### Investors And Shareholders

- Long term Stakeholder Relationship
- Strong Brand Value
- Return on Equity
- Sustainable Business & growth

## SDGs



Additional details on company initiatives linked to SDGs can be referred to on pg no 91

# Ethics & Governance

## Sustainability Governance Structure

HomeFirst understands the importance of conducting operations sustainably and has a dedicated internal team committed towards the implementation of ESG-related activities. The Managing Director & CEO ('MD & CEO') and senior management of the Company monitor various aspects of the social, environmental, governance and economic responsibilities of the Company continuously. An ESG execution team headed by the MD & CEO is also

overlooking the ESG & sustainability-related aspects identified by the company.

A monthly ESG dashboard is reported to the management team to track the progress of ESG-related initiatives. Quarterly updates of ESG plans and status updates are presented in the CSR & ESG Committee and annually to the Board. The ESG policy is also reviewed annually for any changes if required.



## Sustainability aka ESG Policy

The company has a Board approved ESG Policy in place implemented with a vision to carry on our business in an ethical manner, maintain transparent and fair relationships with all stakeholders and co-exist peacefully with nature by ensuring minimal environmental impact.

The company's mission is to engage with all stakeholders swiftly and transparently while upholding equal opportunity employment and prohibiting discrimination. We aim to excel in providing transparent home loan services, maintaining top-tier corporate governance standards, and taking a leadership position in environmental sustainability. Additionally, we prioritize secure earnings through prudent risk management practices to minimize portfolio risk.

As part of its Commitment to the United Nations' SDG, the company aims to facilitate elevation of migrant households through CSR initiatives, while advocating for equitable employment practices and supporting the development of sustainable human settlements through affordable housing loans.

The ESG policy sets the tone for driving ESG initiatives and serves as a guiding principle for running our operations. Institutionalizing a robust governance mechanism is essential to ensure the effective implementation of this policy's objectives.

## Corporate Governance

Strong corporate governance is vital as it ensures transparency, accountability, and fairness in decision-making processes within a company, ultimately fostering trust among stakeholders. It helps safeguard the

# Ethics & Governance



interests of shareholders, promotes ethical behaviour, and enhances long-term sustainability and value creation for the organization. HomeFirst is committed to having robust corporate governance and has in place ethical business practices and transparency through various policies:

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

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

**3. Vigil Mechanism and Whistle-Blower Policy:** We have a whistleblower policy in place that enables employees and stakeholders to report any unethical or illegal behaviour without fear of retaliation. Whistle Blower policies in 6 local languages (Tamil, Telugu, Marathi, Hindi, Gujarat, Kannada) are uploaded on the website.

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

**5. Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** This policy provides for protection against sexual harassment at the

workplace, for the prevention and redressal of complaints of sexual harassment and to enforce strong disciplinary action in the event of any such incident. For the ease of the employees, the policy is hosted on the website with details on how to report in case of any such instance.

**6. Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information:** This code determines the regulatory frameworks designed to prevent insider trading and ensure the fair disclosure of sensitive financial information to maintain market integrity.

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

**8. Know Your Customer (KYC) and Anti-Money Laundering Measures Policy:** This policy is adopted to evaluate the customers more prudently which helps in onboarding the right customer profile.

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

**10. Code of Conduct for Board of Directors and Senior Management Personnel:** This Code's objectives are to ensure the highest quality of disclosures, discretion and fairness in business dealings, sound corporate governance principles, efficient use of the company's resources, and the elimination of any conflicts of interest.

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

# Ethics & Governance

## Codes and Policies to Support Sustainability & Governance

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

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

# Ethics & Governance



## Board Composition

HomeFirst Finance Company India Limited boasts a diverse Board of Directors consisting of 8 members, comprising 4 Independent Directors, 3 Nominee Directors, and 1 Executive Director (Managing Director and CEO). We operate under a One-Tier Board System. With backgrounds spanning technology, operations, finance, law, and management, the independent directors contribute invaluable expertise to uphold corporate governance standards and ensure alignment

with stakeholder interests. The Managing Director and CEO spearheads daily operations, offering strategic insights and ensuring adherence to the company's mission and values. This balanced composition underscores the firm's commitment to robust governance and responsible management, positioning it well in navigating the complexities of India's affordable housing finance sector.

The table below gives the detailed composition of the Board as of Mar'24:

Name	DIN	Designation
Mr. Deepak Satwalekar	00009627	Chairman & Independent Director
Ms. Geeta Dutta Goel	02277155	Independent Woman Director
Mr. Anuj Srivastava	09369327	Independent Director
Ms. Sucharita Mukherjee	02569078	Independent Woman Director
Mr. Divya Sehgal	01775308	Nominee Director
Mr. Maninder Singh Juneja	02680016	Nominee Director
Mr. Narendra Ostawal	06530414	Nominee Director
Mr. Manoj Viswanathan	01741612	Managing Director and Chief Executive Officer

## Board Diversity

We have a policy to Promote Diversity On The Board Of Directors. The Company recognises the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age,

race and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development and enhance the reputation of the Company.

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

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



# Ethics & Governance

## Robust Governance Framework

With a robust governance framework complemented by strong ethical practices, HomeFirst ensures compliance with laws and regulations, fostering transparency, accountability, and fairness in decision-making processes. This instils trust among stakeholders, including customers and investors, crucial for the company's long-term success. By prioritizing transparency, accountability, and integrity, and going beyond mere compliance to adopt best practices, HomeFirst's governance processes aim to sustainably navigate challenges and capitalize on growth opportunities, ensuring stability and success.

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. The Board and the Board Committees, institute policies as well as frameworks and helps monitor them periodically. We believe in being transparent in our operations and make timely disclosures in accordance with the Indian Accounting Standards (Ind AS), Security and Exchanges Board of India (SEBI), Reserve Bank of India (RBI), National Housing Bank (NHB), National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

## Corporate Governance and Risk Management Framework

Board of Directors							Compliance Function	Internal Audit Function
<b>Board Level Committee</b>	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	CSR and ESG Committee	Risk Management Committee	IT Strategy Committee		
<b>Management Committee</b>	Credit Committee	Grievance Redressal Committee		Asset-liability Committee				
<b>Risk Management Framework</b>	Risk Management Policy & Framework	Early Warning Signals (EWS) Framework		Risk Appetite & Thresholds				
	Regulatory Capital		Risk Assessed in ICAAP		Stress Test			
	Credit Risk	Market Risk CRM Risk Reputation Risk HR Risk Operation Risk Liquidity Risk	Strategic Risk Cyber & info security Credit Concentration Interest Rate Risk Compliance Risk ESG Risk	Credit Risk Liquidity Risk Credit Concentration Interest Rate Risk				
	<b>Risk Assessment</b>	<b>Risk Control</b>		<b>Reporting</b>				
Regulatory Approach Credit/Property Criteria Parameter tracking	Mitigation / Risk Limits Deviation approval matrix		Regulatory Internal MIS Disclosures					
							Dedicated Chief Compliance Officer (CCO)	Independent function
							Nodal Officer for NHB	Risk Based Internal Audit
							Focus on RBI/NHB/SEBI compliance	Regular Branch Audit
							Periodic Compliance Tracker	Annual HO Process Audit

# Ethics & Governance



## Board of Independence

As per clause 18.3 of Articles of Association of the Company and in line with the regulations, HomeFirst should have at least one-third of the total number of directors as independent directors i.e. minimum 3 directors.

Currently, we have 4 Independent Directors. This makes 50% of our Board independent. The Chairperson is a Non-Executive Independent Director.

## Declaration of Independence

There are four Independent Directors on the Board of the Company. The Independent Directors have submitted their Declaration of Independence in accordance with the relevant provisions of Section 149 of the Act and Regulation 25(8) of SEBI LODR Regulations, 2015; stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

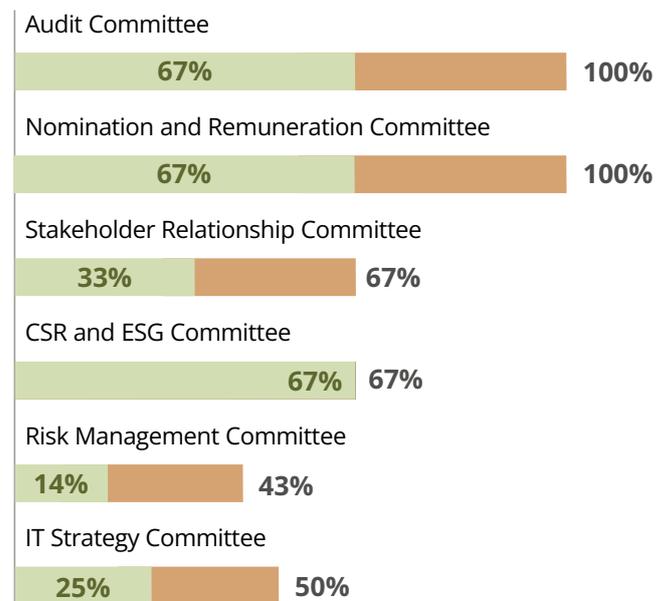
The terms and conditions of appointment of Independent Directors are available at [Terms and Condition for appointment of Independent Director](#).

## Board Committees

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

- ✦ Audit Committee
- ✦ Nomination and Remuneration Committee
- ✦ Stakeholder Relationship Committee
- ✦ CSR and ESG Committee
- ✦ Risk Management Committee
- ✦ IT Strategy Committee

■ % of Independent Directors   
 ■ % of Non - Executive Directors



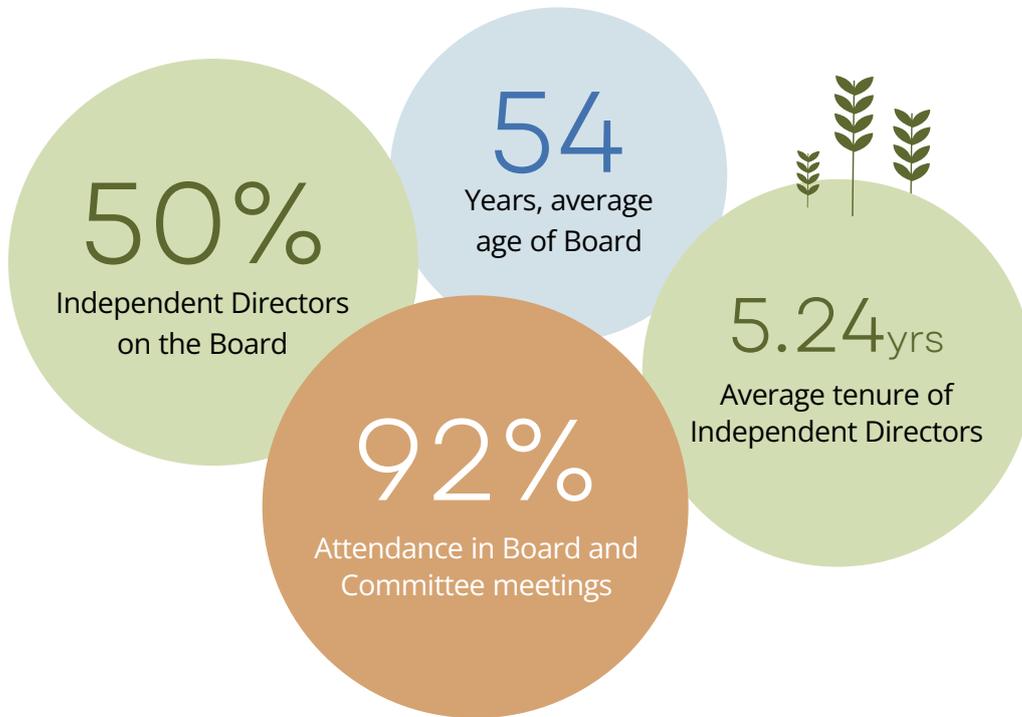
Additionally, there are Management Committees dedicated towards specific purposes - such as

- ✦ Asset Liability Management Committee (ALCO)
- ✦ Grievance Redressal Committee
- ✦ IT Steering Committee
- ✦ Identification Committee
- ✦ Credit Committee
- ✦ Committee of Directors and Review Committee

Further details regarding the objective, role and composition of the Board Meetings along with meetings held during the year detailed in the Report of the Directors on Corporate Governance on page no 162.

# Ethics & Governance

## Board Effectiveness



### Indicators/Measures

<p><b>Board Meeting Attendance</b> Number of meetings attended in percentage in the previous year</p>	<p>Average attendance of Board meetings was 92%</p>
<p><b>Board Mandates</b> Number of other mandates of the non-executive and independent directors</p>	<p>There are 7 Non-Executive/ Independent Directors with 4 or less other mandates</p>
<p><b>Board Performance Review</b> Performance assessment of board of directors</p>	<p>The Board Evaluation process is conducted annually and is overseen by the Nomination and Remuneration Committee of the Board</p>

## Board Evaluation

The Board of Directors is instrumental in driving the company's success, and the Board Evaluation process serves as a vital mechanism to ensure its effectiveness and accountability. Led by the Nomination and Remuneration Committee, this annual evaluation scrutinizes both the collective performance of the Board

and the individual contributions of directors, aiming to pinpoint areas necessitating enhancement. Assessing aspects like strategy, risk management, governance, and financial performance, the evaluation results are communicated to the Board, fostering continuous improvement and alignment with stakeholder interests, thereby bolstering effective governance and management practices.

# Ethics & Governance



## Board Tenure

The average tenure of the Board Members is 5.24 years. Details are as below:

Name	Director wef	Tenure
Mr. Deepak Satwalekar	October 23, 2019	4.42 years
Ms. Geeta Dutta Goel	November 1, 2021	2.33 years
Mr. Anuj Srivastava	November 1, 2021	2.33 years
Ms. Sucharita Mukherjee	February 1, 2022	2.08 years
Mr. Divya Sehgal	June 10, 2017	6.75 years
Mr. Maninder Singh Juneja	May 26, 2017	6.83 years
Mr. Narendra Ostawal	October 15, 2020	3.42 years
Mr. Manoj Viswanathan	June 28, 2010	13.75 years

Further details regarding Board expertise and industry experience is detailed in the Report of the Directors on Corporate Governance on page no 162.

## Management Ownership

The Company's MD & CEO as well as Management team hold company shares. Below is their shareholding as of Mar'24. However, we do not have any share ownership requirements.

Name	Designation	No. of Shares
Mr. Manoj Vishwanathan	MD & CEO	8,03,383
Ms. Nutan Gaba Patwari	CFO	1,08,736
Mr. Ajay Khetan	CBO	1,01,031
Mr. Gaurav Mohta	CMO	30,000
Ms. Vilasini Subramaniam	Head – Strategic Alliances	73,563
Mr. Ramakrishna Vyamajala	CHRO	8,440
Mr. Abhijeet Jamkhindikar	Zonal Head	55,689
Mr. Arunchandra Jupalli	Zonal Head	58,205
Mr. Ashishkumar Darji	CRO	400
Mr. Shreyans Bachhawat	CS	750

### Additional disclosures:

#### Family Ownership:

Founding individuals or family members individually do not have more than 5% of the voting rights as on the year end closing.

# Ethics & Governance



## Business Ethics

At the core of a thriving business lies a commitment to business ethics, which fosters integrity within operations and among employees. This cultivates trust among stakeholders and serves to protect both employees and the wider community. The evaluation criteria assesses the Codes of Conduct, their execution, and the transparency in reporting breaches, ensuring a steadfast adherence to ethical standards.

The company has a Code of Conduct for its employees hosted on the website. It serves as the ethical road map for HomeFirst employees and provides the guidelines by which the company conducts its businesses.

As part of our code of conduct we follow **Political Non-Alignment**.

HomeFirst does not support any specific political party or candidate for political office. The company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body or person, and it shall not offer or give any company funds or property as donations to any political party, candidate or campaign.

We do not make any monetary contributions nor incur any spendings towards political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

We do not have a publicly available program or management system for our lobbying activities. However, we do have membership with ASSOCHAM (The Associated Chambers of Commerce and Industry of India). Through ASSOCHAM ordinary membership, the company gains access to industry trends, expert advice on various economic policies and corporate laws, timely updates on national and international policies, and opportunities for professional interaction through seminars and workshops.

## Freedom of Association

HomeFirst does not have any Freedom of Association policy. We don't have any workers on our payroll. Almost all the employees of HomeFirst are of managerial cadre and above and all employees are paid above minimum remuneration as per the Minimum Wages Act. Further, we have an open door culture which facilitates an employee to directly connect with the CEO or any management team member in case of any concerns.

We also have employee grievance redressal mechanism in place. Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who travel to the location (in case of conflict) or reach out on phone to resolve the complaint / grievance / issue. In addition, we have a whistle-blower policy which provides a formal platform to share grievances on various matters.

Engagement surveys are conducted amongst the employees to monitor employee satisfaction. Further, we practice an open-door policy and have regular performance appraisals and feedback processes.

## Grievance Redressal Mechanism

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

For Customers:

To ensure we provide the best customer service and address any concerns of the customer - we have a **Customer Grievance Redressal policy**. The objective of the policy is to have a clearly defined and easily accessible mechanism for dealing with and settlement of customer complaints and grievances through proper service delivery and review mechanisms and to ensure prompt redressal and review of customer grievances. The process is uploaded on our website for a wider audience.

# Ethics & Governance



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

**a. Level-1**

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

**b. Level - 2**

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

Email id – [query@homefirstindia.com](mailto:query@homefirstindia.com).

**c. Level-3**

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

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

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

**Alternative Remedy:**

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

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

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

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

The complaints can also be mailed at [crcell@nhb.org.in](mailto:crcell@nhb.org.in)

**For Investors:**

We have an internally adopted Investor Grievance Policy. The investors/ shareholders can mail to the following address or alternatively call on the given landline number:

Home First Finance Company India Limited  
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

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

“SEBI Complaints Redress System”  
<https://scores.gov.in>

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

# Ethics & Governance



Given the digital shift, ensuring constant access to networks, IT systems, and data is critical. Any disruptions can escalate costs and harm a company's business operations and reputation. Risks like technical failures, human error, and cyber attacks necessitate robust risk management and contingency planning for business continuity. Hence strong cybersecurity governance is of paramount importance.

We have a Board Committee which overlooks cybersecurity strategy and processes. Composition of the Committee is as below:

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

## Data Security Measures:

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

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

**Encryption:** Salesforce is the CRM platform used by us. We encrypt all sensitive data, including customer personal and financial information, during transmission and storage. We use industry-standard encryption algorithms to ensure that the data remains secure. Our applications/ servers/ LMS/ CRM/ Database all communicate with each other with the help of APIs which are encrypted using the latest security algorithms. All APIs are IP restricted to prevent DDoS attacks (Distributed Denial of Service Attacks) and to ensure that the privileged users have access to these APIs. Further, we have multifactor enabled authentication process and Salesforce follows the best security standards. Salesforce is ISO 27017/27018 certified.

**Firewalls and Intrusion Detection Systems:** We have implemented firewalls and intrusion detection systems

to protect our network from unauthorized access. These systems help us detect and prevent unauthorized access attempts.

**Regular System Audits:** We conduct regular audits of our systems to ensure that they are secure and that there are no vulnerabilities that could be exploited by malicious actors. We conduct IS Audit on an annual basis. We also conduct an internal vulnerability assessment of all apps of the Company. All our applications have gone through VAPT (Vulnerability Assessment and Penetration Testing) and we have received the requisite certification for the same.

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

**Employee Training and Awareness:** We train our employees on our IT policies, procedures and cybersecurity. In addition to the training, we conduct awareness regarding data protection, security and privacy. Time to time emails are sent to the employees to make them aware of malpractices prevalent in the digital world and to avoid falling prey to phishing attacks. An employee, if found to have not completed the cybersecurity training or violated the IT Policy, he/she may be subjected to disciplinary action.

# Fortifying Data Privacy and Security



## Data Privacy Measures

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

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

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

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

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

## Data Request Management

The Credit Information Companies (Regulation) Act, 2005 and the respective RBI and NHB Directives state that all credit institutions should become a member of a Credit Information Bureau. To comply with this, we presently provide monthly information on our loans

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

## Data Breach Response Plan

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

1. **Containment:** We will immediately contain the breach to prevent further data loss.
2. **Notification:** We will notify the appropriate authorities and our customers as soon as possible.
3. **Investigation:** We will conduct a thorough investigation of the breach to determine its scope and impact.
4. **Remediation:** We will take appropriate measures to remediate the breach and prevent it from happening again.

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

## Business Continuity Plan

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

# Stakeholder Engagement and Materiality Assessment

Stakeholder Group	Mode of Engagement	Purpose & Scope of Engagement	Frequency
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys and feedback</li> <li>• Interaction at Branches</li> <li>• Tele banking - Customer Care</li> <li>• Digital Channels - Customer App, SMS, WhatsApp, Social media platform, chatbot, Video Call</li> <li>• Pamphlets</li> <li>• House Visits/Work Visits</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>	Ongoing
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Email communications</li> <li>• Physical/virtual meetings</li> <li>• Appraisal Process</li> <li>• Online Surveys</li> <li>• Employee Engagement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development sessions</li> <li>• Wellness and counselling sessions</li> <li>• Employee Welfare Schemes</li> </ul>	Ongoing
 <b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>• Quarterly reports, integrated reports and press releases</li> <li>• Investor meets and Annual General Meetings (AGMs), including virtual investor meets.</li> <li>• Email, SMS, newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/ conferences</li> </ul>	<ul style="list-style-type: none"> <li>• To stay abreast of developments in the Corporation</li> <li>• Compliance</li> <li>• Economic performance</li> <li>• Governance and Ethical practices</li> </ul>	Ongoing
 <b>Regulators, Lenders and Credit Rating Agencies</b>	<ul style="list-style-type: none"> <li>• Email, one-on-one meetings, conference calls, video-conference, mandatory filings with regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions with regard to various regulations and amendments, inspections, approvals</li> </ul>	Ongoing

# Stakeholder Engagement and Materiality Assessment

Stakeholder Group	Mode of Engagement	Purpose & Scope of Engagement	Frequency
 <b>Communities &amp; NGOs</b>	<ul style="list-style-type: none"> <li>• Project Assessment reviews</li> <li>• Joint assessment of projects</li> <li>• Community welfare programs</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of CSR Initiatives and status of the initiatives undertaken</li> </ul>	Ongoing
 <b>Research Analysts</b>	<ul style="list-style-type: none"> <li>• One-on-one meetings, conference calls, video-conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Keep abreast of developments of the Company</li> </ul>	Ongoing
 <b>Channel Partners &amp; Key Partners</b>	<ul style="list-style-type: none"> <li>• Regular meetings/ mails/ phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership and business development</li> </ul>	Ongoing

## Materiality Assessment

Conducting a materiality assessment is vital for identifying and ranking sustainability risks and opportunities. It allows the company to recognize the most relevant environmental, social, and governance (ESG) issues for both the business and stakeholders, and guides the incorporation of these matters into decision-making processes. This assessment has helped us pinpoint areas where we can enhance our sustainability performance, mitigate risks, and deliver value to our stakeholders.

Materiality analysis is conducted annually and is signed-off by the senior management members. As part of materiality analysis, we identify the key ESG risks relevant to the Home First's operations. Thereafter we evaluate the impact of ESG risks on our business operations, cash flows, legal or regulatory liabilities, and value creation of the business.

# Stakeholder Engagement and Materiality Assessment

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

Sr. No.	Material Topic	Category	Capital Impacted	Why is this material
1	Corporate Governance	Governance		Corporate governance is the key for smooth business operations. HomeFirst strives to adopt best practices and ensures adherence to all applicable regulatory requirements.
2	Risk Management	Governance		Risk management is essential to proactively evaluate the possible risks across the business organisation and processes and implement measures for mitigating and addressing the same.
3	Code of Conduct and Business Ethics	Governance		Code of Conduct and Business Ethics is critical to ensure ethical conduct of business operations, legal compliance and building trust of all the stakeholders.
4	Sustainable Finance	Governance		Sustainable Finance is required to ensure financial inclusion of the lesser privileged community. This also aids in promoting growth of the Indian economy.
5	Employee Training and Development	Social		To ensure competitive advantage and drive the business, it is essential to have a well trained workforce. The employees and improve their productivity.
6	Employment and Labour Practices	Social		For efficient conduct of business and adherence to the rules and regulations, it is essential for the company to have compliant employment and labour practices. This in turn 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.

# Stakeholder Engagement and Materiality Assessment

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.



Additionally, we have mapped the 12 key focus areas into high and low importance for business growth and stakeholders.

## ESG Materiality Map



# Financial Capital Management



Financial capital serves as the backbone of a housing finance company like HomeFirst, driving its operations by facilitating lending to customers. Comprising equity, borrowings, and assets, it forms the core inputs for the company's functions. Our recent accomplishment of surpassing the milestone of managing over ₹10,000 Crs

in Assets Under Management underscores our resilience in managing these inputs effectively, leading to sustained growth, profitability, and customer satisfaction. This robust financial capital has enabled us to achieve superior profitability and ensure sustainable growth.

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

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

<sup>^^</sup> Our Gross Stage 3 (GNPA) as at Mar'24 stands at 1.7% in line with RBI circular dated 12 Nov 2021 (Mar'23: 1.6%) Prior to such classification, it stands at 1.1% (Mar'23: 0.9%). Our Net Stage 3 (NNPA) as at Mar'24 stands at 1.2% in line with RBI circular dated 12 Nov 2021. (Mar'23: 1.1%) Prior to such classification, it stands at 0.8% (Mar'23: 0.5%).

## Profitability

The company focuses on achieving risk-adjusted returns and providing superior returns on capital to its shareholders. Our net profit increased by 33.9% year-over-year, while our cost-to-income ratio remained consistent at 35.3%, compared to 35.7% the previous year.

## Diversified Funding

Throughout the year, the company successfully secured ₹4,448 Crs from a variety of funding sources, maintaining a consistent borrowing mix which reflects the ongoing confidence of our lenders in our processes and portfolio

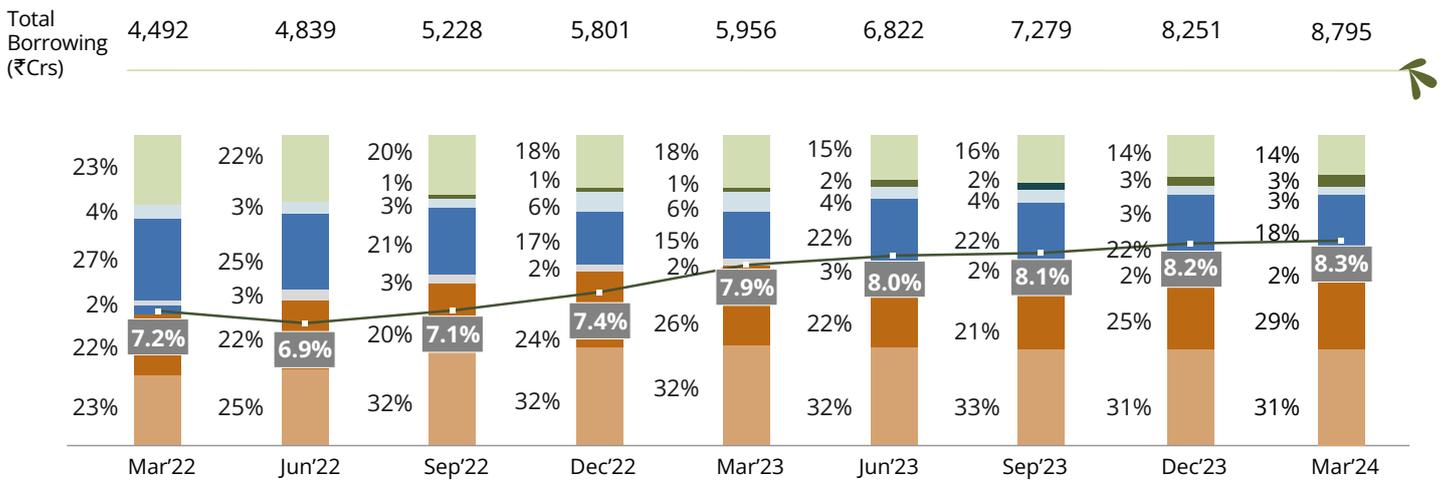
quality. Ending the year with 31 lending relationships, we expanded by adding 6 new lending partners: Bank of Baroda, UCO Bank, IndusInd Bank, PNB Bank, Punjab & Sind Bank and Bajaj Housing Finance. Despite market volatility in interest rates and inflation, we achieved a Cost of Borrowings (COB) of 8.2%, highlighting HomeFirst's establishment of a robust liability franchise.

Our borrowing strategy prioritizes prudent Asset Liability Management (ALM), ensuring inflows exceed outflows across all tenure buckets. As we primarily deal with long-term underlying assets, we abstain from borrowing through Commercial Papers or short-term funds.

# Financial Capital Management

## Borrowings Mix and Cost of Borrowing Trend

■ DA   
 ■ Co-lending   
 ■ NCD   
 ■ NHB Refinance   
 ■ NBFC  
■ Public Sector Bank   
 ■ Pvt. Sector or Banks   
 ■ COB% (Represents quarterly avg.)



## Robust ALM

We also have cumulative positive ALM gaps in all buckets. ALM framework is monitored in tandem with Company's business strategy and risk management. LCR requirements were duly adhered to ahead of regulatory requirements. As at Mar'24, the company holds a liquidity position of ₹ 2,055 Crs comprising of unencumbered cash and cash equivalent of ₹ 1,156 Crs and ₹ 649 Crs of un-availed sanctions from the banks and ₹ 250 Crs of un-availed sanctions from NHB.

## ALM Position as of Mar'24 - Cumulative

■ Inflow    ■ Outflow



# Financial Capital Management



## Credit Rating

Our emphasis on strategically selecting markets, refining collection processes, and consistently enhancing asset quality, alongside a robust balance sheet and funding, has led to an enhancement in our credit rating. During the year, IndiaRatings have upgraded our rating from

AA- with a Stable outlook to AA- with a Positive Outlook. We remain committed to ongoing efforts aimed at further elevating our ratings in the future, which we anticipate will facilitate diversification of our funding sources at reduced costs.

	FY22		FY23		FY24	
Rating Agency	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
<b>ICRA</b>	A1+	A+ Positive Outlook	A1+	AA- Stable Outlook	A1+	AA- Stable Outlook
<b>CARE</b>	NA	A+ Stable Outlook	NA	AA- Stable Outlook	NA	AA- Stable Outlook
<b>India Ratings</b>	IND A1+	IND AA- Stable Outlook	IND A1+	IND AA- Stable Outlook	IND A1+	IND AA- Positive Outlook

# Natural Capital Management



## Commitment to Environmental Protection and Management

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

Since FY23, we have started reporting our greenhouse gas emissions. We meticulously tracked our electricity usage for the current fiscal period. Regarding Scope 1 emissions, we solely accounted for HVAC refrigerant gas refills due to the absence of diesel generator sets or company-owned vehicles. As for Scope 2 emissions, we analyzed energy consumption across all branches, as well as our head office and corporate offices for the fiscal year ending in 2024. Additionally one of our branches

had DG Set electricity consumption - which is also considered as part of Scope 2 emissions. During the year FY24, our total Scope 1+Scope 2 emissions amounted to 638.54 MTCO<sub>2</sub>e compared to 454.36 MTCO<sub>2</sub>e. The increase is primarily on account of higher Scope 2 emissions on account of increase in number of physical branches. However, energy intensity dropped to 764.49 kWh/ ₹crores of turnover in FY24 compared to 782.31 kWh/ ₹crores of turnover in previous fiscal.

## GHG Quantification Methodology

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

### Activity & Emissions Data 2023-24

Scope	Emission Source	Activity Data	Unit	Emissions (MTCO <sub>2</sub> e)
Scope 1	HVAC Systems - Annual Refrigerant Leaks	9.78	Kilograms	15.99
Scope 2	Electricity generated from DG Set	128.00	kWh	0.03
Scope 2	Electricity purchased from Grid	869437.19	kWh	622.52
<b>Total</b>				<b>638.54</b>

### Sources of Emission Factors

Scope	GHG Activity Data	References
Scope 1	HVAC Systems - Annual Refrigerant Leaks	<a href="https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf">https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf</a>
Scope 2	Electricity generated from DG Set	IPCC - Stationery Combustion <a href="https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf">https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf</a>
Scope 2	Electricity purchased from Grid	Central Electricity Authority (CEA) - CO2 Baseline Database for the Indian Power Sector, version 19 <a href="https://cea.nic.in/cdm-co2-baseline-database/?lang=en">https://cea.nic.in/cdm-co2-baseline-database/?lang=en</a>

# Natural Capital Management



## Carbon Emissions:

The Company partnering with CERE, has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following

greenhouse gas emissions: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs, HCFCs). Below is our energy consumption and emissions data.

Parameter	FY24 (Current Financial Year)		FY23 (Previous Financial Year)	
	kWh	TJ	kWh	TJ
Total electricity consumption (A)	869565.19 kWh	3.13 Terajoules	618795.76 kWh	2.23 Terajoules
Total fuel consumption (B)*	-	-	-	-
Energy consumption through other sources (C)	-	-	-	-
<b>Total energy consumption (A+B+C)</b>	<b>869565.19 kWh</b>	<b>3.13 Terajoules</b>	<b>618795.76 kWh</b>	<b>2.23 Terajoules</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	764.49 kWh/₹ crores of turnover	0.003 Terajoules/₹ crores of turnover	782.31 kWh/₹ crores of turnover	0.003 Terajoules/₹ crores of turnover
Energy intensity (optional) the relevant metric may be selected by the entity	696.21 kWh/employee	0.003 TJ/employee	623.16 kWh/employee	0.002 TJ/employee

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

Parameter	Units	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Breakup of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	15.99	15.02
<b>Total Scope 2 emissions</b> (Breakup of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	622.55	439.34
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	0.56 Metric tonnes of Co <sub>2</sub> equivalent/₹crores of turnover	0.57 Metric tonnes of Co <sub>2</sub> equivalent/₹crores of turnover
<b>Total Scope 1 and Scope 2 emissions intensity (optional)</b> - the relevant metric may be selected by the entity	-	0.51 Metric tonnes of Co <sub>2</sub> equivalent/employee	0.46 Metric tonnes of Co <sub>2</sub> equivalent/employee

The conversion factor considered for electricity emissions is 0.716 as per Central Electricity Authority (CEA) - CO<sub>2</sub> Baseline Database for the Indian Power Sector, version 19 (EF incl RES)  
The emission calculation factor used for calculating emissions from electricity consumption via DG sets:  
[https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf)

# Natural Capital Management



## Green Housing

Our country is on a mission to provide 'Housing for All' and like anything else we do now, the central consideration within it has to be an emphasis on the impact on the customer and environment. Without this emphasis, the mission can not be achieved. The building sector contributes 38% of global energy-related CO<sub>2</sub> emissions, while in India, it makes up 37% of our total annual primary energy consumption. We owe it to the sector to embrace eco-conscious strategies.

As a formidable player in the affordable housing industry, HomeFirst bears a substantial responsibility for its growth and development. To uphold it, we apply methods that align with the homeownership aspiration while prioritising environmental sustainability—practices that regulate individual and community consumption of energy and water along with externalities of building and residing in housing. A commitment to this will nourish the segment's growth; economically help homeowners to optimal and efficient consumption and reduce the carbon footprint to foster a healthier future for all.

Being a lending institution, we are focusing our efforts towards self-built affordable spaces. Eco-friendly homes reduce energy consumption and conserve water usage which makes the homemakers' journey more economical and stable. Lower and efficient consumption leads to lower costs, making housing even more affordable in the long run. These homes take account of the carbon footprints that basic housing units cause, and lower them. Keeping in mind these principles and the largest goal of the country to have net zero emissions by 2070, we started the Green Homes initiative. It is a special initiative, scarce in the affordable segment, a fairly recent addition in the sector. As most initiatives of this kind focus on large housing projects based out of tier 1 urban spaces, typical individual housing in tier 2 and 3 cities was left out. With our learnings from the primary research surveying 500+ homes in our portfolio, we developed the Green Box—eco-friendly solutions for individual self-built homes. Through our maiden green housing-focused collaboration with the IFC (International Finance

Corporation), we built a framework of green measures for such homes. We sought support from the IFC for knowledge, innovation, and capacity building along with a credit line with ₹280 crore in 2022. This collaboration has been instrumental in the development of a green housing framework for evaluations and certifications.

### What is a Green Home for HomeFirst?

A Green Home focuses on three main criteria to make homes environmentally friendly and 20% more efficient: reducing energy consumption, minimising water usage, and lowering the overall carbon footprint. The aim is to save the customers' money while promoting construction practices for cooler indoor temperatures.

### Main challenges faced by Green Homes -

- ❖ Customer scepticism towards moving away from traditional housing practices.
- ❖ Lack of awareness among customers, local contractors, and the sector overall.
- ❖ Perception of green housing as a luxury that is unaffordable and unsustainable.

### To tackle these challenges, we -

- ❖ Focused on our Relationship Managers (RM) to convey the benefits and importance of Green Homes.
- ❖ Utilised RM Pro for tracking construction progress and capturing time and location stamps. Provided ongoing support to the customers throughout construction.
- ❖ Additionally, we are creating awareness across touchpoints: We are constantly trying to educate different stakeholders about Green Homes. We have done extensive training at locations where we have launched this product. Our Relationship Managers and Customer Service Managers are well versed with the Edge Parameters. We have also conducted sessions with our construction partners and connectors to drive awareness at the ground level.
- ❖ Effective Communication to drive Green Homes: Our marketing communication around Green Home is targeted to bust common myths and it effectively

targeted to bust common myths and it effectively showcases simple ways to make homes 20% more energy efficient. Simple measures like the usage of concrete blocks, sunshades, aerators, 5-star rated appliances, and dual flush systems go a long way in the greener construction practices of individual homes.

To implement this, we started training our teams, initially in Nagpur, Coimbatore, Tirupur, Indore, and later on, Bangalore and Raipur to begin onboarding customers for Green Homes. As our activities spread across, with undertaking coming from 7 cities. As of Mar'24, of the

2,150 self-built cases that qualified to be a Green Home, 230 have signed the undertaking. Our team is working on the ground constantly to provide the additional support needed to the customers during the construction. With these initiatives, we are not just building homes; we are crafting a greener, more sustainable future for generations to come.

### 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

# Human Capital Management



Since inception, HomeFirst is proud to be fostering a thriving, innovative, and inclusive culture. This culture is helping us encourage collaboration and teamwork, enabling the company to adapt and excel in rapidly changing markets. Moreover, an inclusive culture is enhancing employee engagement, satisfaction, and retention, leading to a more productive workforce. Ultimately, it is contributing to the organization's long-term success by attracting top talent and fostering a positive reputation both internally and externally.

HomeFirst Culture fueled by the energy of our dynamic young workforce. Our dedicated employees, possessing an entrepreneurial spirit and driven by a customer-centric mindset, are undeniably the cornerstone of our mission to become one of the nation's most reputable and trusted affordable housing finance firms.



As of Mar'24, our employee count was 1249. Overall, women comprise 28.50% of our total workforce. Since, we have a young and diverse employee base with a median age of 26.0 years and we have just 3 employees who are aged 50 or more,

we currently do not have any need for transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

## Employee data (Age and Genderwise) as at Mar'24:

Age	Total no. of employees	%	Female employees	%	Male employees	%
Under 30 years	1,012	81.03%	301	84.55%	711	79.62%
30-50 years	234	18.73%	55	15.45%	179	20.04%
50 years >	3	0.24%	0	0.00%	3	0.34%
<b>Total</b>	<b>1,249</b>	<b>100.00%</b>	<b>356</b>	<b>100.00%</b>	<b>893</b>	<b>100.00%</b>

# Human Capital Management



## Human Capital Development

We are committed to empower all our employees and assist them in reaching their maximum potential. In this direction, we have implemented many training programs across the lifecycle of our employees. We have also implemented many learning programs and expanded sponsorship initiatives for our employees to upskill them. We believe this will inturn strengthen our leadership pipeline.

### At On-boarding stage:

#### Homefirst EVO

**Objective of the Initiative & Brief Process:** All new joiners are put through an EVO program where they are nudged to unlearn and learn some of the concepts that they will use in their daily life at Homefirst.

**Unique features of the initiative:** This is a blend of online learning courses that have assessments at the end of each month to check the application of the learning. The candidates need to complete 6 tests in all. There is feedback at the end of each assessment to ensure employee understands the gaps in their learning and works towards improving the same.

**Impact of the initiative:** Every employee in a lending business must be well-versed with concepts related to finance. This helps them cater to customer needs, understand business to ensure that they are productive faster. Also, as we hire a lot of freshers, this helps them understand the overall business concepts and help them gain confidence and enjoy the process of learning.

#### Induction

**Objective of the Initiative & Brief Process:** 2 days of induction is held at Mumbai, ensuring they understand their roles and expectations and are also equipped with all the tools to do well in their roles.

**Unique features of the initiative:** The program creates a level playing field for all employees irrespective of the

location that they are joining and ensures that they are not dependent on local teams to provide this understanding. The program also creates bonding between the individuals across the country and ensures that there is significant sharing of best practices across the organization. One of the unique features is the “CEO Connect”, where-in the CEO interacts with the new joiners Face to Face in every induction thus giving them a sense of belonging to the organization.

**Impact of the initiative:** A centralized induction program offers numerous benefits, including standardization, expertise, resource efficiency, cohort building, evaluation, and scalability, making it a valuable investment for organizations committed to effective employee engagement. Overall, the impact of an induction program on business can be significant, contributing to improved employee performance, engagement, retention, productivity, and employer branding.

### 6 months into the company:

#### So Far So Good

**Objective of the Initiative & Brief Process:** Once any employee completes 6 months with the organization, they are called over to Mumbai for a 2-day workshop with the CEO, Business Head and CHRO. Each employee gets 15-20 mins to present their performance in the last 6-9 months and atleast 1-2 ideas to improve their working. They are also trained by the individual function heads from Head Office which also works as a session to interact with them and clear doubts, if any.

**Unique features of the initiative:** It's a one-of-a-kind initiative at Homefirst wherein employees who complete 6 months in the organization have a 2-day workshop wherein they share their journey so far and also suggest the CEO on how to do things better and more efficiently. They get instant approval from the CEO on the initiatives that meet the criteria of creating value and / or improving existing process. One of the biggest advantages of having a young organization is the ability to feel connected and

# Human Capital Management



share concerns. The program allows for their interaction with the seniors and learn from the experiences. Since most of the function leaders at the Head office are from the branch themselves, they share tips and techniques on being successful and practical ideas.

**Impact of the initiative:** A record of at least 2 workable ideas come through every 2-day workshop. This gives employees pride that their thoughts, ideas and inputs are valued. As the news of this passes on from one batch to another, the employees work harder to present better ideas and be noticed.

## Continuous Learning Environment

**Objective of the Initiative & Brief Process:** To create a learning organization that thrives on the ability of the people to learn and unlearn quickly and adapt to the changing environment. A unique end to end learning journey for every role is created and delivered. Each journey is thought through and has elements of knowledge, skill and attitudes embedded to ensure holistic development of individual. The journey is then delivered through a combination of internal trainers, external trainers, online content, assessments, and application of learning.

### Unique features of the initiative:

1. **Functional leaders as In-house trainers:** We have created a group of individual trainers, who apart from their role as functional leaders, double up to deliver training programs across the organization. Since they are leading various central functions in the organisation, they can provide practical insights and solutions to the individuals and the trainings therefore are not theoretical.

2. **Learning linked to Career Progression:** Each of the learning journey completion is linked to the career milestones of the employee. For example, the successful RM / CSM (entry level) program completion is a certificate to operate in their role. The Branch Manager program completion leads to confirmation in the Branch Manager role (The employee is first selected as Branch Manager

Designate, and only after the completion of the program, they are confirmed as Branch Manager in their respective Branches).

3. **Homefirst Leap:** It is a unique program sponsored by company for career advancement. For employees who are non-MBAs, we have tied up with IIM Calcutta to provide an executive program that teaches them relevant knowledge and gives them the right exposure to compete with the other employees with MBA degree, so that there is greater ownership and dedication to complete the course and benefit from it.

**Impact of the initiative:** Our unique blend of learning and career progression helps deliver a transparent culture that rewards continuous learning and consistent performance. The testimony of the same is that the average tenure required for our fresh campus graduates to take up Branch Manager role is the industry best of 3-4 years, as compared to an industry average of 6-8 years.

## Aspire Program

**Objective of the Initiative & Brief Process:** We do a program for our frontline sales employees to take up leadership branch manager roles which include technical training, functional training, behavioural training and an opportunity to run an independent branch.

**Unique features of the initiative:** The reason behind doing this program is to foster growth inside the organization. It creates a ripple effect creating leaders from bottom to top. The branch manager role is a P&L responsibility of the entire branch with the entire activity of sales, credit, service, and collections falling under their ambit thus giving them an opportunity to manage a team and take up a leadership position

**Impact of the initiative:** We have one of the best productivity numbers in the industry due to the continuous learning opportunities provided to the individuals. Promotions from Relationship Manager to Branch Manager happen in 4 years, which is the fastest in the industry.

# Human Capital Management



## Additional training initiatives undertaken during the year:

- ▾ IFC Training for Gender sensitization
- ▾ To equip the data scientists/MIS preparers in the team with upcoming tools – multiple technical training sessions were conducted in collaboration with AWS - such as Technical Essentials, ML Ops Engineering, Developing on AWS amongst others.
- ▾ We have even sponsored post graduate degrees for our employees in their domains to empower them.
- ▾ Compliance based trainings - We have gamified trainings on code of conduct, and cybersecurity training to drive holistic development. ESG and BRSR training was also provided to make the employees aware of the 9 principles of sustainable development and the growing importance of having sustainable operations.

## Trainings conducted during the year ended Mar'24:

Type of Training	Male Participants	Number of Training Hours	Female Participants	Number of Training Hours	Total Participants	Number of Training Hours
Work related training	703	6,690	308	2,771	1,011	9,461
Employee growth/ development related training	54	890	13	241	67	1,131
Ethical standards (such as Code of Conduct, etc.)	806	403	379	190	1,185	593
ESG & Climate Change specific trainings	86	43	47	24	133	67
IT security/ Data Privacy/ Cyber Security	1,244	1,389	467	478	1,711	1,867
Prevention of Sexual Harassment	473	268	217	108	690	376

During the current financial year, 13,495 manhours of training were clocked. This is compared to 14,240 manhours of training for the preceding fiscal year.

	Total number of training hours provided to employees	Total number of employees	Average hours of training that the organization's employees have undertaken during FY24
Female	3,812	356	10.71
Male	9,683	893	10.84
Total	13,495	1,249	10.80

# Human Capital Management



	Total number of training hours provided to employees	Total number of employees	Average hours of training that the organization's employees have undertaken during FY24
L0 – L2	13,081	1,144	11.43
L3 and above	414	105	3.94

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

We spent an amount of ₹4.75 Crs on training and development during the financial year 2024. The corresponding amount in the previous year was ₹1.66 Crs. The major increase in training and development cost is on account of various executive programs undertaking during the year.

## Diversity & Inclusion

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

## Through our policy, we are committed to:

**Delivering on gender equality:** Homefirst is committed to ensuring that gender is not a barrier to career opportunities and advancement. We ensure representation of all gender identities throughout all recruitment processes, and are committed to pay equity.

**Representing the changing demographics of our customers:** As the population becomes more culturally diverse, we are committed to ensuring our workforce is representative of our customers so we can better anticipate their needs. We are committed to local talent sourcing to enable this deep community connect.

**Equal Employment Opportunities & Remuneration Policy:** We also ensure that the remuneration for women and men undertaking similar work of equal value (considering position range, performance, qualifications, experience and market considerations) is similar. We will undertake a review of remuneration annually to ensure pay equity.

Women in our workforce as at Mar'24	
Percentage of women in total workforce	28.50%
Percentage of women in Head Office	51.38%
Percentage of women in Management	22.22%
Percentage of women in Board of Directors	25.50%

# Human Capital Management



Level-wise cuts of women employees as at Mar'24:

Function	% Women Employees
L0-L2	28.58%
L3-L4	29.21%
L5 - L6	14.29%
Management	22.22%

Since our operations are based in India, all of our employees are Indians. Although we do cover a wide range of geographies and ethnicities within India. Please refer to our geographic presence on page no 11 for a detailed map showcasing our branch presence across India.

## Promoting Equal Opportunity

We have an Equal Opportunity Policy which expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression.

## Hiring

We hire on the basis of merit and do not discriminate on the basis of age, race, gender, religion, marital status or disability.

## Pay

The Company is committed to equal pay and equality of terms in employment. It believes all employees should receive equal pay where they are carrying out like work, work rated as equivalent or work of equal value. In order to achieve this, the Company will endeavour to maintain a pay system that is transparent, free from bias and based on objective criteria.

### Ratio of basic salary and remuneration of women to men as at Mar'24:

<b>Management</b>		1.10
<b>Non-Management</b>		
Branch	- Sales	1.09
	- Service	1.12
Head Office	- L0-L2	0.87
	- L3-L4	0.68
	- L5 - L6	0.68

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

# Human Capital Management



## Recruitment Strategy

We recruit majority of our employees through a comprehensive campus recruitment program, which sees regular participation from our management team members. We also employ people laterally to fill vacancies. We understand the importance of home-

grown talent, so we create multiple opportunities through internal job postings, role enhancements etc. We also list open positions on our Website, LinkedIn page to increase the reach. Recently we have started internship program to college students – this enables them to get a hold of live projects and evaluate their outlook about the company in case they're handed placements.

### Talent Infusion - New Employees Hired (Age and Genderwise) during FY24:

Gender	Under 30 years	30 - 50 years	>50 years	Total
Female	185	3	0	188
Male	395	33	0	428
Total	580	36	0	616

### New Hire Rate (Age and Genderwise) during FY24:

Gender	Under 30 years	30 - 50 years	>50 years	Total
Female	61.46%	5.45%	0.00%	52.81%
Male	55.56%	18.44%	0.00%	47.93%
Total	57.31%	15.38%	0.00%	49.32%

*Note: The new hire rate is calculated as a percentage of closing employee count as of Mar'24.*

## Talent Retention & Recognition

We have various competitions conducted throughout the year to keep up employee morale and ensure their engagement in the business. Further, we conduct NAOL TV series which addresses the questions in the minds of

the employees answered by the management. Through this medium, we also try to guide the employees with the vision of the company and the year to come. Employee vintage is one of the parameters which symbolises stability and loyalty towards the company. About 15.69% of employees have completed 5+ yrs at HomeFirst.

## Attrition

Gender	FY24	FY23
Female	73	102
Male	287	265
Total	360	367

## Attrition Rate

Gender	FY24	FY23
Female	24.46%	43.04%
Male	34.89%	38.69%
Total	32.11%	39.80%

### Attrition (Age and Genderwise) during FY24:

Gender	Under 30 years	30 - 50 years	> 50 years	Total
Female	63	10	0	73
Male	233	53	1	287
Total	296	63	1	360

### Attrition Rate (Age and Genderwise) for FY24:

Gender	Under 30 years	30 - 50 years	> 50 years	Total
Female	25.35%	20.00%	0.00%	24.46%
Male	36.04%	30.64%	33.33%	34.89%
Total	33.07%	28.25%	33.33%	32.11%

# Human Capital Management



## Attrition (Vintage and Genderwise) during FY24:

Gender	<1 years	1 - 3 years	> 3 years	Total
Female	24	26	23	73
Male	66	169	52	287
Total	90	195	75	360

## Attrition Rate (Vintage and Genderwise) for FY24:

Gender	<1 years	1 - 3 years	> 3 years	Total
Female	19.05%	32.30%	25.00%	24.46%
Male	18.99%	56.62%	29.46%	34.89%
Total	19.01%	51.45%	27.93%	32.11%

## Attrition (Level and Genderwise) during FY24:

Level	Male	Female	Total
L0 - L2	271	72	343
L3 - L4	13	1	14
L5 - L6	3	-	3
Management	-	-	-

## Attrition Rate (Level and Genderwise) for FY24:

Level	Male	Female	Total
L0 - L2	36.13%	26.62%	36.61%
L3 - L4	22.22%	4.00%	16.77%
L5 - L6	42.86%	0.00%	37.50%
Management	0.00%	0.00%	0.00%

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

## Performance Appraisal Program

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

All targets are set centrally in consultation with the teams. Each of the manager has a say on the targets and provides the local inputs in support of their arguments. The incentive achievement percentages are also circulated well in advance to all to ensure that they review and confirm the data and provide inputs if any on the individual cases

**Regular & fast delivery of incentives:** All incentives are paid in regular quarterly timelines (For example: April-May-June quarter incentive is paid in August salary). This is done on consistent basis every quarter. It allows the employees to plan for their expenses and have a fair degree of certainty in terms of their income.

**Bottoms up approach to setting goals:** Individually each team contributes towards the goal setting process. They explain the targets that they have set for themselves with

the relevant data about the ground realities and complexities. This enables greater ownership of the goals and higher degree of discretionary effort.

**Open conversations on goal setting:** There is transparent goal-setting company-wide, with limited access to achievements based on roles. The employees have access to the system and can track their own achievement. This transparency fosters accountability, alignment, and informed decision-making.

**Scorecard way of measurement:** This ensures that all parameters that are required for the success of the organisation are adequately represented. The individual weightages help employees focus their time and effort according to the relative importance and the linkages between each of the parameters.

**No forced ranking:** The model allows us to differentiate people and performance using a logical model rather than intuition or qualitative parameters. The way the scorecard is prepared, allows for measuring even the qualitative lead indicators with the quantitative lag parameters. It also transparently showcases that there is no need to use judgement or measures to differentiate people just to fit into a forced ranking system. The model

# Human Capital Management



automatically delivers alignment to the overall performance of the organisation and eliminates the need to carry out in any arbitrary methods to differentiate.

## Impact of the initiative

We have ensured that there is no loss of information dissemination and timeliness even while we work with limited central resources. Our ratio of resources who are directly impacting business delivery vs the support is the best in class in financial services companies of our size.

In response to performance throughout the year, we offer performance-linked variable pay, competitive salary increments, and promotions to eligible employees, especially in the face of a volatile job market.

## Human Rights

At HomeFirst, we consider respect for human rights a fundamental value and prioritize supporting, protecting, and promoting human rights to uphold fair and ethical

business and employment practices. We are committed to maintaining workplaces free from violence, harassment, or any unsafe conditions. Our policies aim to safeguard the privacy and dignity of all individuals in our workforce. We have a zero-tolerance policy for slavery, coerced labor, child labor, human trafficking, or any form of abuse. During the financial year 2024, HomeFirst received no complaints regarding workplace discrimination, child labor, forced labor, wages, or other human rights-related issues.

## Promoting Human Rights & Non-discrimination

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

Cases of Sexual Harassment at Workplace	No of complaints FY24
Cases of Sexual harassment	0

Cases of Discrimination at Workplace	No of complaints FY24
Discrimination Complaint	0

## Freedom of Association

HomeFirst believes in the right of employees to exercise their lawful right for grievance redressal and has created appropriate mechanisms for it. We have employee groups from diverse backgrounds, affinities and skills that facilitate and encourage community participation, collaboration, networking, and cultural enrichment.

## Employee Survey

We conduct engagement surveys internally to gauge employee satisfaction.

**Cracking the Code: Understanding Early Employee Discontent:** In our quest to keep our workplace vibe upbeat and our team members happy, we're diving deep into understanding the early signs of discontent. We're not just sending out surveys, we delve deeper to understand the reasons behind dissatisfaction to lessen attrition at an early stage itself. By listening closely and responding proactively, we're not just preventing problems; we're creating a workplace where everyone feels heard and valued.

# Human Capital Management



**Recruitment Survey:** The survey is sent as soon as the offer is sent to an employee. The idea is to capture insights on the overall recruitment process. From evaluating the clarity of job descriptions to assessing the effectiveness of communication channels, it provides valuable insights into the candidate journey.

	Participated	No. of happy employees	%
Recruitment Survey- Statistics	1,164	1,074	92.27%

**On-Boarding Survey:** The survey is sent to an employee on the day of his joining. It focuses on the effectiveness of the onboarding process, from the clarity of instructions to the level of support received.

	Participated	No. of happy employees	%
Onboarding Survey - Statistics	807	725	90.06%

**30 - Day Survey:** The survey is sent to an employee 30 days after his date of joining. It focuses on their comfort level with job responsibilities, satisfaction with training received, and integration into the team culture.

	Participated	No. of happy employees	%
30-day survey Survey - Statistics	815	758	93.01%

**90 - Day Survey:** The survey is sent to an employee 90 days after his date of joining. It focuses on their satisfaction with role clarity, team dynamics, and alignment with organizational goals.

	Participated	No. of happy employees	%
90-day survey Survey - Statistics	495	449	90.71%

## Employee Well-Being & Benefits

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

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

## Health & Safety

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

## Employee Benefits

HomeFirst looks out for its employees and provides benefits such as health insurance, group term life insurance, group accident insurance, and maternity/paternity benefits - which are one of the industry’s best benefits. At HomeFirst, we believe in recognizing and rewarding loyalty. Our Loyalty Edge

# Human Capital Management



program celebrates employees who have been with us for five years or more, inviting them into our prestigious Elite 5vy Club, where they can enjoy a host of exclusive perks and benefits. From additional leave days and domestic travel packages to increased insurance coverage, we prioritize the well-being and satisfaction of our long-serving team members. Additionally, we celebrate our employees' milestones with specially curated hampers for those marking six to ten years of dedicated service, ensuring they feel valued and appreciated.

In addition to the compensation that includes both

salaries and allowances (including performance-linked bonuses), we provide our employees with employee stock options. As of Mar'24, 23.7% employees are covered under ESOP schemes.

The Company also offers to cover medical expenses, as applicable. In case of the death of an employee who had ESOPs, the ESOPs immediately vest with the nominee of such an employee. The option to invest in National Pension Scheme was introduced in the previous financial year and received a good starting response in the current financial year with 18 employees availing of the same.

Category	% of employees covered by				
	Total	ESOPs		NPS	
		Number (B)	% (B/A)	Number (C)	% (C/ A)
Male	893	217	24.30%	13	1.46%
Female	356	79	22.19%	5	1.40%
Total	1,249	296	23.70%	18	1.44%

Data as at Mar'24

Category	% of employees covered by								
	Total	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)
Male	893	893	100.	893	100	NA	NA	893	100
Female	356	356	100	356	100	356	100	NA	NA
Total	1,249	1,249	100	1,249	100	356	100	893	100

Data for the year ended Mar'24

## Parental Support Policy

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

**Paternity Leave:** Men can avail of Paternity Leave under this policy for up to seven working days with full pay

within two months from the actual date of delivery of the employee's child.

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

# Human Capital Management



Gender	Return to work rate	Retention rate
Male	100.00%	77.78%
Female	100.00%	63.64%
Total	100.00%	70.00%

Employees who availed parental leave in FY22- 23, returned to work and are still on the Company rolls as on Mar'24:

Gender	No. of employees who returned from parental leave in FY22-23	Still employed 12 months after their return to work
Male	9	7
Female	11	7

Gender	Parental leave availed in FY24	No. of employees who resumed work in FY24
Male	13	13
Female	9	10
Total	22	23

# Human Capital Management



## Employee Engagement Programs

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



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



# Human Capital Management



**Navratri Celebrations:** Employees at HomeFirst participated in Navratri Celebrations and had a gala time.

## Christmas Celebrations:

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



# Human Capital Management



## Women's Day:

Special WellBeing session for all Women at HomeFirst on Mindfulness with a token of goodies making them feel special on Women's Day.



## Employee CSR

Furthermore, our commitment to corporate social responsibility is exemplified through our Employee-Driven CSR initiative, where employees completing three or more years with us can nominate a cause close to their hearts for a donation, promoting both team unity and

community impact. This year 240 Employees contributed towards the cause of their choice like Skill development, Healthcare (Clubfoot and Cleft lip Surgeries) and Food Donation amounting to a sum of ₹ 20,00,000/-. At HomeFirst, we strive to create an environment where loyalty is celebrated, and employees are empowered to thrive personally and professionally.

# Responsible Product Offering



HomeFirst is committed to responsible product offering, guided by transparency, accountability, and a dedication to meeting the needs of our clients while adhering to regulatory standards and best practices. Our comprehensive approach ensures that our products not only meet but exceed customer expectations, contributing to our mission of making homeownership accessible to all.

HomeFirst has one of the core values as Transparency and hence, identifies the need of the customers to have complete details on product offerings. Our range of products includes Home Loans, Home Construction loans, Loans for extension and renovation of homes, loan against property, Shop loans, and loans for the purchase of commercial property. We prioritize transparency, making all product details readily available on our website, including interest rate grids, associated fees, eligibility criteria, and frequently asked questions.

## Board Oversight and Policy Commitment

At HomeFirst, we are committed to acting in the best interests of our clients, and there is board/executive oversight of responsible product offering. We have board-approved and RBI-regulated Fair Practice Code, ensuring clarity, transparency, timelines, and responsiveness in our interactions with borrowers at all stages like marketing, processing, sanctioning, monitoring and administration. The code defines the standards while dealing/ building relationships with prospective/ existing customers and has been framed and amended by the Reserve Bank of India (RBI) to follow the best corporate practice within the sector. It provides a commitment to provide responsible product offering to our customers. Through regular training programs, meetings, circulars and other modes of communication employees would be made aware of the code so that there is a strong commitment to fair and quality lending and efficient and fair services. This code is reviewed annually by our Board of Directors to ensure its effectiveness and alignment with our values. The Fair Practice Code also outlines the grievance redressal mechanism and has a procedure for receiving,

registering and disposing of complaints and grievances in each of its offices.

Link: <https://homefirstindia.com/files/Fair%20Practice%20Code.pdf>

## Social Impact and Risk Assessments

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

As per the RBI notification, Housing Finance Companies (HFCs) are categorized as Middle Layer and accordingly HFCs are required to have internal assessment of the need for capital, commensurate with the risks in their business. HomeFirst has designed its ICAAP Policy and assessed applicable risk in ICAAP, as per internal methodology, which is proportionate to the scale and complexity of HomeFirst's operations.

## Transparent Risk Management

Our detailed risk management framework, outlined in our Integrated Annual Report, addresses risks and mitigation strategies comprehensively. The detailed risks faced by the company and the mitigants in place is elaborated on page no 132 of the Integrated Annual Report. Additionally, the various metrics used by us to track risks is mentioned on page no 25 of the Integrated Annual Report. We disclose risks faced by the company and mitigation measures in place, ensuring transparency and accountability. Additionally, the schedule of charges and most important terms and conditions are readily available to customers, promoting transparency in our dealings. MITC - Most important terms and conditions is put up on the branch as well as displayed on the website and part of the Loan Agreement. Link: <https://homefirstindia.com/policy/mitc/> The schedule of charges is also published on the website for transparency.

# Responsible Product Offering



Link: <https://homefirstindia.com/policy/schedule-of-charges/>

## Quality Evaluation and Continuous Improvement

Our Credit Committee periodically evaluates the quality of products offered, guided by a board-approved Credit Policy. Continuous training for credit officers ensures effective risk management. The Risk Management Committee oversees risk-related matters, as detailed in our Internal Guidelines on Corporate Governance. The role of Risk Management Committee is elucidated in Internal Guidelines on Corporate Governance - which is hosted on our website Link : <https://homefirstindia.com/files/Internal%20Guidelines%20on%20Corporate%20Governance.pdf>.

Customer complaints are thoroughly investigated, and corrective actions are taken to enhance satisfaction. Additionally, the company from time to time, communicates to its customers various features of their products availed by them. Information about their other products or promotional offers in respect of products/services subject to customer consent to receive such information/service either by mail or by registering for the same on the website or on customer service number.

## Employee Training and Development

We prioritize employee training and development to ensure responsible product offering. 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. 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. Through such trainings and inductions, the employees are trained on how the product offering needs to be done responsibly. For sales employees, who have completed 6 months in the system, we have a training program named So Far So Good. The Program assesses Relationship Managers who have

completed 6 months in the system. These employees come prepared with a presentation (based on their experience over the past 6 months) on various parameters such as sourcing mix, marketing drives, KRA achievement and areas of improvement, which they present to the management team members of the organisation. This is followed by a refresher training on various aspects and interaction with the senior team of the organisation. For seasoned RMs, we have Aspire Program, Aspire is the opportunity for growth from a Relationship Manager/ Customer Service Manager to Branch Manager at HomeFirst. Additionally, for all the employees, besides on-the-job training, we have compliance trainings including code of conduct, and cybersecurity training to drive holistic development. Details on training are mentioned on pg no 61 of Integrated Annual Report.

## Fair Advertising and Customer Satisfaction

To maintain integrity in our advertising practices, we adhere to a board-approved Fair Advertising policy. Link:<https://homefirstindia.com/files/Fair%20Advertising%20Policy.pdf>

We track Net Promoter Scores to gauge customer satisfaction, allowing us to continuously improve our products and services based on feedback. The customer NPS trend over the years is mentioned on pg no 20 of the Integrated Annual Report.

# Promoting Financial Inclusion:

*A Commitment to Serve Underserved Groups*



As a housing finance company, we are deeply committed to promoting financial inclusion and ensuring that all individuals, including underserved groups, have access to affordable housing finance solutions. The Economically Weaker Section and Low-Income Groups customers account for ~63% of our Assets Under Management. The average loan ticket is ₹11.5 lakhs. Our commitment extends beyond traditional housing finance services to encompass a range of initiatives aimed at empowering marginalized communities and fostering economic inclusion.

## Empowering Underserved Groups

We recognize the importance of reaching out to low and middle income groups, who often face barriers to accessing financial services. Through simplified home loan process and tailored products, we strive to make homeownership a reality for those who have been historically excluded from the formal financial sector. By understanding the unique needs and challenges of these groups, we can design solutions that are accessible, affordable, and sustainable.

## Providing Non-Financial Support

Financial inclusion goes beyond providing loans; it also involves offering non-financial support to help individuals navigate the complexities of homeownership. Additionally, we drive CSR projects for upliftment of migrant workers. Our CSR projects focus on the socio-economic development of migrant workers. Through our flagship initiative - Project Sashakt we are doing work in the areas of skilling and employment, children's education, school development, healthcare, and financial literacy. Our initiatives are empowering migrant workers living in Narol (Ahmedabad) to generate more sustainable income. We also have a partnership with the Suryoday Foundation, through which we've initiated programs aimed at fostering financial literacy in six schools. Encouraging students to extend these conversations to their households and involve parents, we aim to kindle awareness and digital literacy within families. With a primary emphasis on money management, savings tactics, and long-term planning,

we're empowering young individuals to navigate financial complexities throughout their lives. Additionally, a key aspect of the program involves linking families with government initiatives for potential benefits. Please refer to Social and Relationship Capital Management pg no 78 for CSR initiatives undertaken during the year.

## Investing in Training

Our commitment to financial inclusion is reflected in our investment in staff training and development. We recognize that our employees play a crucial role in delivering quality services and building trust with underserved communities. That's why we provide ongoing training on topics such as cultural sensitivity, diversity awareness, and customer-centric communication. By equipping our staff with the necessary skills and knowledge, we ensure that they are well-equipped to serve the diverse needs of our customers with empathy and professionalism. We spent an amount of ₹4.75 Crs on training and development during FY24 (₹1.66 Crs in FY23)

## Empowering Women Borrowers

We place a special emphasis on empowering women borrowers, recognizing the critical role they play in driving household financial decisions and contributing to economic growth. Through targeted outreach and specialized loan products, we aim to make homeownership more accessible and affordable for women. For the fiscal year 2024, approximately 88% of the loans had a woman as a borrower, with a woman as the primary applicant in 14% of the portfolio and at least one woman co-borrower in 76% of the portfolio.

Through our commitment to financial inclusion, we strive to break down barriers, empower underserved groups, and create opportunities for all individuals to achieve their homeownership dreams. By providing not only financial support but also non-financial assistance, investing in staff training, and prioritizing the needs of women borrowers, we are working towards building a more inclusive and equitable society where everyone has the opportunity to thrive.

# Social and Relationship Capital Management

At HomeFirst, we are determined to support those who need it the most. Our CSR activities are dedicated to the development of migrant laborers who contribute significantly to our communities and economy, especially the construction and housing sectors. They face pervasive challenges, from meager wages and restricted skill sets to inadequate healthcare access, leaving them precariously on the cusp of financial hardships. To tackle these circumstances, we launched our flagship initiative Project Sashakt in 2022.

Designed to address this section's multifaceted problems comprehensively, our initiative aims to make them self-sufficient and empowered – "Sashakt". The initiative is focused on fostering holistic transformation – it emphasises skill development and education while promoting health and financial literacy–to help them break cyclic deprivation. Most of our projects are concentrated in the states of Gujarat and Maharashtra (we have presence across 13 states/UT).



## The community engagement process involves

-  Consultation with stakeholders
-  Need assessment through local NGOs and employees
-  Resource allocation and detailed planning
-  Stakeholder engagement and project implementation through NGOs
-  Project monitoring and impact assessment

## Project Sashakt - Socioeconomic Development of Migrants

We pursued a strategy of a concentrated impact, focusing our activities on select areas. Given our familiarity and strong presence in Gujrat, we chose Ahmedabad to start our activities. The city is establishing its prominence in terms of infrastructure and is experiencing an influx of employment seekers. This has led to the emergence of cramped community settlements.

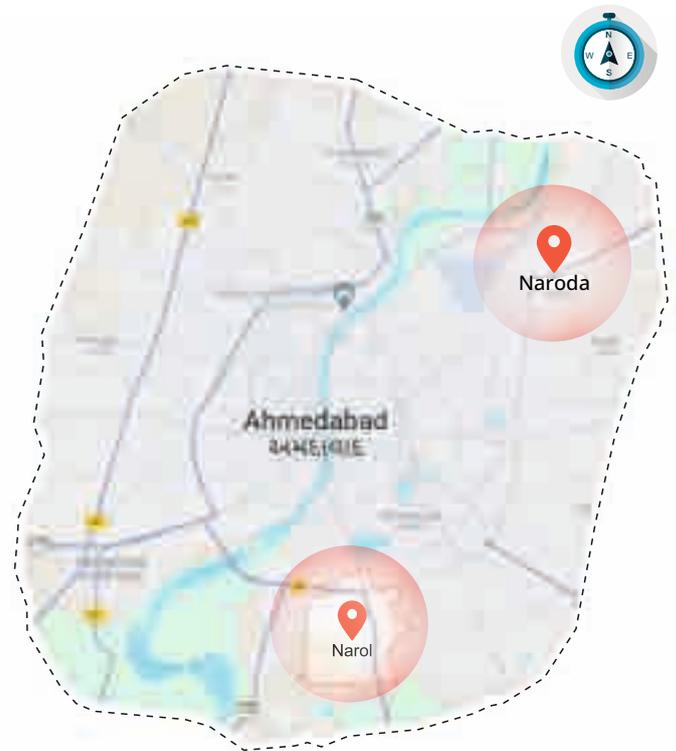
# Social and Relationship Capital Management

## Narol

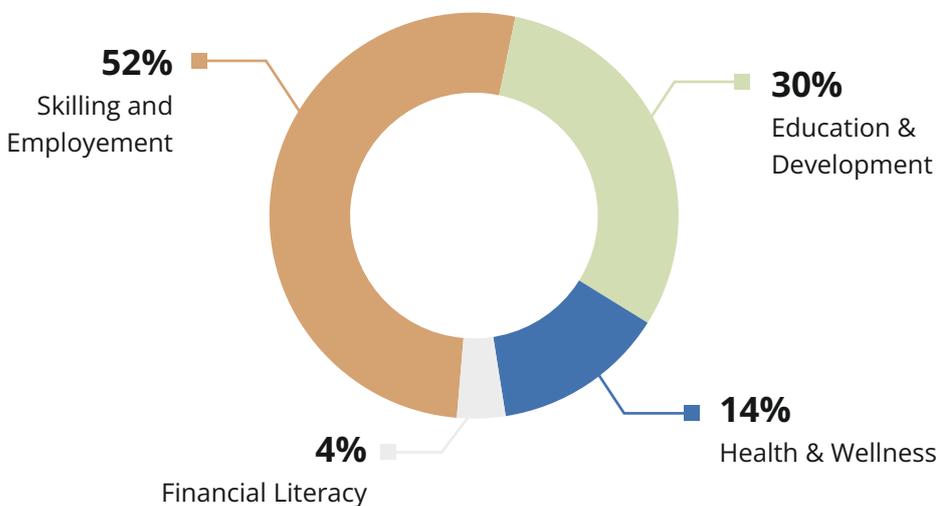
In 2022, we started our activities in a 3km radius settlement location–Narol–home to a large number of migrant families who grapple with difficult living and working conditions. The region is densely populated and we shaped our methods to uplift it on a community level. We stationed the training centres close to the area to make it accessible and hassle-free for the members of the region, specifically, the women for whom traveling for work was an issue. This year, we have extended the reach of our project to Naroda which faces similar challenges.

## Naroda

Much like Narol, Naroda is an emerging industrial hub that sustains a large migrant population. It faces issues similar to Narol; densely populated with tough living and working conditions. We have seen a significant impact with our CSR activities and wish to increase the number of people we can assist and support. We broadened the reach of our project to this region with the same principles and have initiated our programs there.



## Project Sashakt - Pillars

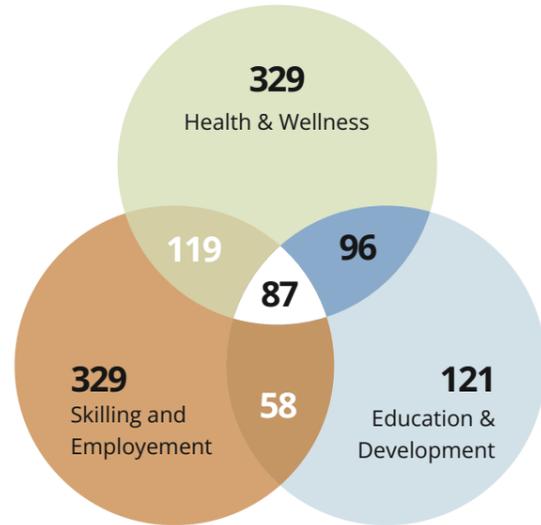


We believe that the first step towards being Sashakt is through skilling and education and our spends are allocated accordingly

# Social and Relationship Capital Management

## Families Participation

Sashakt Interventions



## 1,139 Total Families Benefitted

Data considered from June'23 - Mar'24

Project Sashakt touched 1,139 Families in Narol, i.e., ~4,925 individuals

594 families availed interventions related to Skilling and Employment

38% beneficiary families availed two or more interventions



## Skilling and Employment

In the path to self-sufficiency, developing and building skills, especially for the women and the youth is essential to foster empowerment. We started our activities to reform the employment status and the income generated by it.

The skilling centre of the project in Narol is aided by digital data tracking (demographics, attendance, and income). Alumni meetings are regularly organised for community formation. Adani Skill Development Centre has been helping with the implementation for the courses at the Narol Centre since its inception. During this financial year, we have had 900+ enrolments in Narol across 4 trades – Self Employed Tailoring, Beauty Therapy, GST – Tally and Domestic Data Entry Operations.

The new centre in Naroda, developed in partnership with Wings to Fly, witnessed an enrolment of 200+ beneficiaries in its inaugural batch. In addition to the 4

trades in Narol, Naroda Sashakt Skilling Centre also offers Incense Stick Making and Retail Sales Executive training for the beneficiaries.

Beneficiaries of these projects are actively being placed on jobs and are finding steady employment after coursework. Thereby accomplishing the objective of the skilling activity.

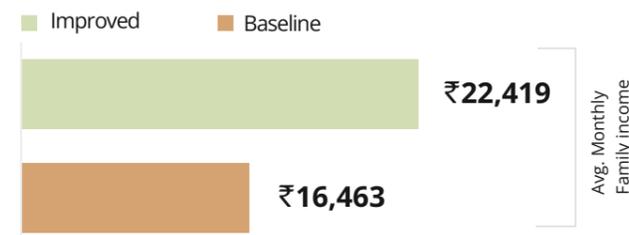
The skilling centres have turned into thriving communities with engagement activities like graduation ceremonies and competitions that push towards the self-sufficiency of the beneficiary. Best performers in these trainings and competitions are gifted with tailoring kits, cosmetic equipment to start their ventures and clothing items. We also make sure they have signboards that help them start their establishments. For the full utilisation of their training, the skills that they have gained should be profitable. With this assistance, the skill development starts its journey towards the end goal of the program—the self-efficiency of the families.

## Impact

591 Beneficiaries were certified in 4 trades through Sashakt Skilling Centre in FY 24. Of these, 110+ beneficiaries were upskilled in their existing work, 90+ got job placement and 185 became self-employed.

A dipstick study with **281 beneficiaries**; showcased a cumulative monthly income generation of **₹16.74 lakh** by salaried and self-employed beneficiaries across the 4 trades

Beauty Therapy and Tailoring had the highest number of self-employed beneficiaries with an average monthly income of ₹4,818 and ₹5,009.



The average monthly income for the 281 families that have participated in the Skilling intervention has gone up by ~36% or ₹5,956.

# Social and Relationship Capital Management

## Education and Development

Educational development is central to achieving self-sufficiency. To make a greater impact, curiosity has to be cherished at a young age. We want our beneficiaries to become well-rounded citizens of tomorrow, and for this, we collaborate with schools and contribute to education in children.

To instil an inkling towards natural sciences in young minds we developed science labs. The labs have supported STEM education across six schools, enriching the learning experiences of over 5000 students, and have witnessed considerable levels of enthusiasm. These government and semi-government schools now have access to quality STEM education and have conducted more than 1270 sessions in line with the curriculum. To gauge the effectiveness of our efforts, we conducted an endline assessment to measure the learning impact of the labs. The results revealed a marked improvement in students' comprehension of STEM principles in the defined parameters across schools and classes. We aim to make a similar impact in Naroda, and encourage scientific curiosity in young minds.

On the 26th of January 2024, we officially launched Sashakt Science Labs in 4 schools in Naroda. Our

surveys show us that children from our beneficiary families are mostly enrolled in these schools. The labs have been designed to integrate with the existing curriculum to provide experiential and practical learning to the students.

In response to the overwhelming interest generated by our interschool science fair, we organised another one this year. It attracted the participation of 301 students from six schools, along with members from esteemed institutions such as ISRO and Shark Tank serving as jury members.

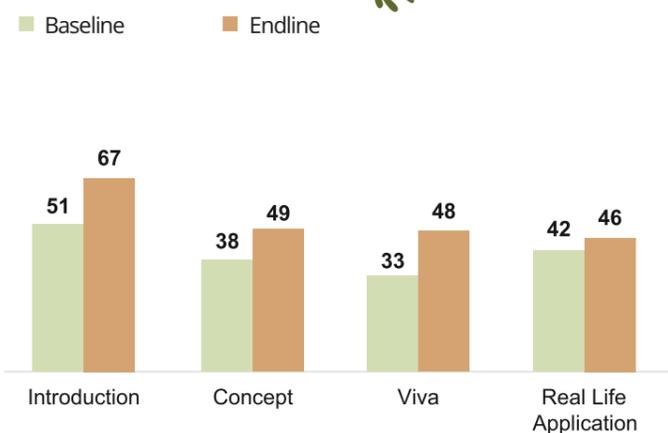
Our highly popular Bal Sashakt program—an integrated educational program that covers academic, arts, crafts, sports, nutrition, and cultural aspects for kids aged between 6 to 15 years—has increased capacity from 75 to 150 students. This flagship initiative takes place on the weekends in our adopted school-Vishwabharti. This is one of the most successful endeavours that our CSR has taken up. We have completed 4 batches with more than 430 students in total who have benefitted from it.

For the health of the children, we also conduct safety camps to take measures against diseases and maintain overall hygiene in educational spaces.

*We conducted a baseline assessment for the students across Class 5 - 8 in the 6 partner schools, scoring their knowledge of the Science topics for 4 parameters at the start of the academic year. The scores are averaged for the 1,582 students using the Sashakt Labs at the 6 partner schools*

*After the academic year they also conducted an endline assessment to understand the learning impact of the Lab sessions which displayed that the students across schools and classes had better scores on all 4 parameters of understanding the STEM subjects*

## Learning Improvement Scores



STEM Labs  
Mar 27, 2024 12:58:16 PM  
Isanpur Ahmedabad Gujarat

# Social and Relationship Capital Management

## Health Initiatives

Our health initiatives have garnered remarkable attention, evidenced by the highest number of visitors they've attracted. This achievement underscores the paramount importance of health, particularly for the migrant populace, who navigate their lives on a paycheck-to-paycheck basis. Prioritising health becomes a vital necessity as one incident or major illness can plunge a family into a financial crisis.

Driven by the recognition of the necessity, our health initiatives aim to provide comprehensive support. From our previous surveys, we identified the need for full-body profiling assessments for early detection and prevention of diseases.

Our experience in Narol showed that among our programs, Out Patient Departments (OPDs)-weekly medical camps arranged in our areas of focus, specifically to cater to our beneficiaries-are the most popular with the highest footfall. These free medical camps provide diagnosis and medication free of cost for common illnesses, while also helping with early detection and prevention of severe diseases. The OPDs have been extended to the Naroda region to garner awareness and kickstart the project. The health drives have had over 1990+ beneficiaries through 24 OPDs.

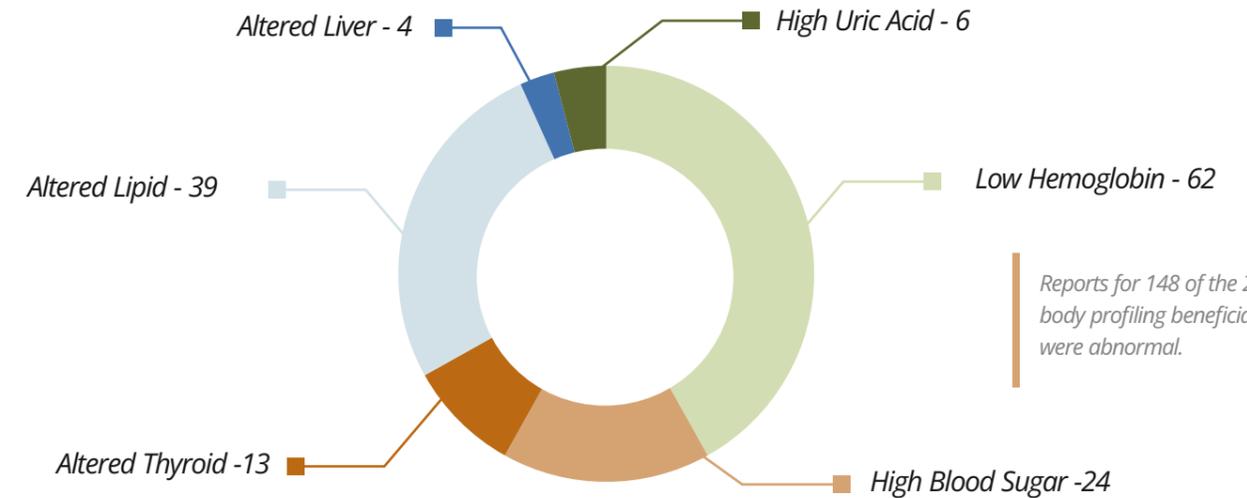
Driven by the recognition of the necessity, our health initiatives aim to provide comprehensive support. From our previous surveys, we identified the need for full-body profiling assessments for early detection and prevention of diseases. The initiative in Narol conducted over 240 pre-emptive full-body profiles, incorporating 49 medical tests for each Sashakt beneficiary aged 40 and above, which helped in detecting severe medical conditions and potentially saved major expenses for the families. Dental camps and eye check up camps were conducted across five schools in Narol - which benefited more than 4000 students+.

## Development of healthcare infrastructure

Industrial areas like Narol and Naroda are prone to workplace accidents because of hazardous chemicals, and unsafe working conditions. These fatal accidents can destroy an entire livelihood, returning from which becomes impossible for a family. LG Hospital in Maninagar is a trusted name for such cases. It is located centrally and is accessible from both Narol and Naroda where our beneficiaries reside. Although the hospital caters to such health hazards, it lacks the specialised equipment required. To improve the healthcare infrastructure and support for migrant workers, we have forged a partnership by donating the required medical instruments to the hospital.



## Body Profiling - Age 40+

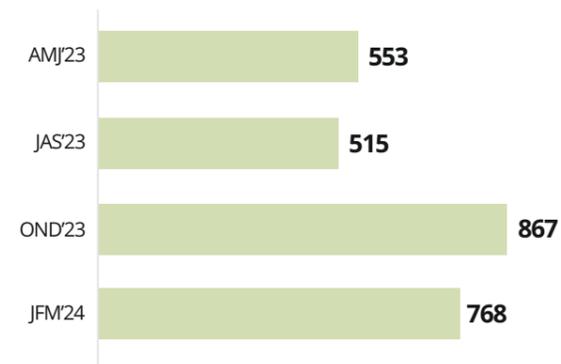


We identified the need for detailed body profiling assessments from our previous surveys within our beneficiaries which prompted us to conduct Pre-emptive **body profiling**

**49 medical tests for each of the 247 individuals** above the age of 40 years

This assessment has helped in **early detection and prevention** of severe medical conditions for the target beneficiaries saving potential medical expenses and lives. The beneficiaries were provided with medical consultation for their reports and medications as needed

## Opd Footfall - Individuals



We had **1 doctor** in Q1 & Q2 OPDs  
 In Q3 & Q4 OPDs had **2 doctors** to manage higher footfalls  
 We have helped the families **save** medical expenditures of ~ ₹300 - ₹500 per month

## SASHAKT STORIES

# Social and Relationship Capital Management

### Financial Literacy

Understanding money is a crucial step towards upliftment, in a collaborative effort with Suryoday Foundation, we have launched programs directed to promote financial literacy in six schools. Students are encouraged to carry these discussions to their homes, to involve parents in this effort. Through this program, we aim to ignite awareness and digital literacy among families. With a core focus on money management, saving strategies, and future planning, we're empowering young minds to make their way through the complexities of finance for the rest of their lives. A component of the program is also to connect the families to the government initiatives that could benefit them.

To make it more accessible, we're extending our reach to touchpoints such as OPDs, health camps, and skilling classes.

### Goals of the program

- Instil savings knowledge in children and introduction to banking basics.
- Empowering students and parents for informed financial decision-making and reaching financial goals.
- Tracking their financial habits and impact measurements.

### Key Focus Areas

- Financial literacy, banking, and digital transactions
- Enrolment in Govt. schemes like Eshram Card, Abha Card, etc.
- Encouraging responsible borrowing
- Access to formal financial services to deter reliance on money lenders and prevent fraud
- Facilitating access to insurance, Atal Pension Scheme, and various deposits based on eligibility
- Streamlining the KYC process, including linking mobile numbers to Aadhaar Cards.

### Mahila Shram Shakti Kendra

The 2 centers in Ahmdabad and Surat provide a safe space for migrant women construction workers who want to acquire technical skills around construction work to improve their wages. The initiative, known as MSSK, involved comprehensive counseling sessions for both female and male workers, aimed at promoting the concept of a proficient female workforce within the industry. Strategic counseling was conducted not only for the women workers themselves but also for their families, emphasizing the significance of skilled female labor. This approach facilitated the seamless connection of these workers with trainers for on-the-job training opportunities.

- Skill development - 480+ women were given individual OJT counselling and 90+ were given OJT linkages.
- 2360+ women were registered under the BOCW scheme and 119 received maternity benefits of 35000 each.
- 193 legal cases were counselled across 3 centres and 1231 beneficiaries attended the workshops.
- Health and awareness drives saw 21 health camps in which awareness about menstrual hygiene and reproductive health was raised. 1100+ linkages were done for post-natal care.



**Darshnaben**  
Sashakt Beneficiary  
**Freelancer, Beauty Therapist**

*Darshnaben is doing her own freelancing work post our training and earning around ₹11,000 / month at Shahwadi, Narol*



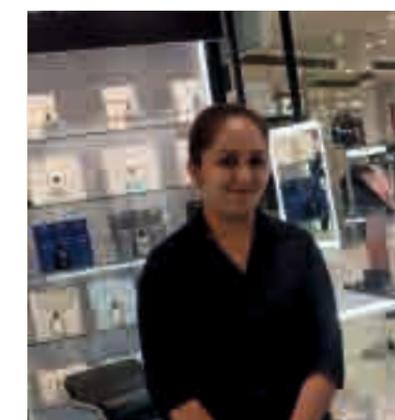
**Manishaben**  
Sashakt Beneficiary  
**Tailoring, Works from Home**

*Manishaben is engaged in stitching work at home, earning a steady income of ₹10,000 per month. Her financial stability contributes to the family's well-being*



**Anand**  
Sashakt Beneficiary  
**Data Entry Operator**

*Anand was selected in ASDC Placement Drive. He cracked the interview and got a job in Isparrow Service Pvt.Ltd (Narol) with a monthly salary of ₹12,500/-*



**Vijyaben**  
Sashakt Beneficiary  
**Executive, Beauty Section, Westside**

*Vijyaben completed her training and now works in the beauty section of Westside, located in Maninagar, Ahmedabad. She earns a monthly salary of ₹14,000*

# Social and Relationship Capital Management

## Redefining Homeownership: A Journey of Inclusive Customer Centricity

In the connected world today, traditional structures often fail to accommodate the dreams of hardworking individuals like Verma ji. He has been working as a school teacher for a decade and is loved by his students for his lively evening tuition. However, securing a ₹15 lakhs housing loan without the conventional paperwork seemed like a challenge for him. The income from his tuition classes was not documented and the traditional banks was only considering his school salary for the loan. However, with a relentless commitment to placing the customer at the heart of every endeavor, HomeFirst has reshaped the landscape of homeownership, making such dreams a tangible reality.

Gone are the days of bureaucratic hurdles and rigid lending frameworks. At HomeFirst, we have simplified the home loan process. We understand that every aspiring homeowner, regardless of income or documentation constraints, deserves a chance to own his/her dream home. By embracing innovation and customer-centric approaches, we have facilitated 1,00,000+ individuals like Verma ji to embark on their journey towards homeownership. Our journey is one of continuous evolution and adaptation. In our pursuit of delivering unparalleled customer experiences, we have embraced cutting-edge technology and diversified

communication channels. With various communication channels available, including WhatsApp, Chatbot, Email, hotline number, and social media handles, we emphasize on human interactions. Our Relationship Managers and Customer Service Managers are always happy to help and resolve any issue that may arise.

Diversity lies at the heart of our ethos. We take pride in serving a kaleidoscope of customers, each with their own unique backgrounds and aspirations. From seasoned professionals to small business owners, our customer base mirrors the vibrant tapestry of our nation. Newer occupations like social media influencers, delivery partners, graphic designers and tech professionals are also becoming a part of our portfolio. To cater to this diverse clientele, we have adopted a Phygital model, seamlessly blending physical and digital processes to provide a truly inclusive experience for our first-time home buyers.

Transparency is at the core of our value system, driving our operations and communication. We believe in arming our customers with clear, comprehensible information, be it through loan agreements in regional languages or transparent fee structures. Our commitment to transparency extends beyond paperwork - it permeates every interaction, ensuring that our customers feel valued and empowered at every step of their journey.



### Speed: Industry-leading!

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

### Home Loan Expertise: Unmatched!

Well-trained RMs have a strong understanding of local nuances, enabling us to customize at scale.

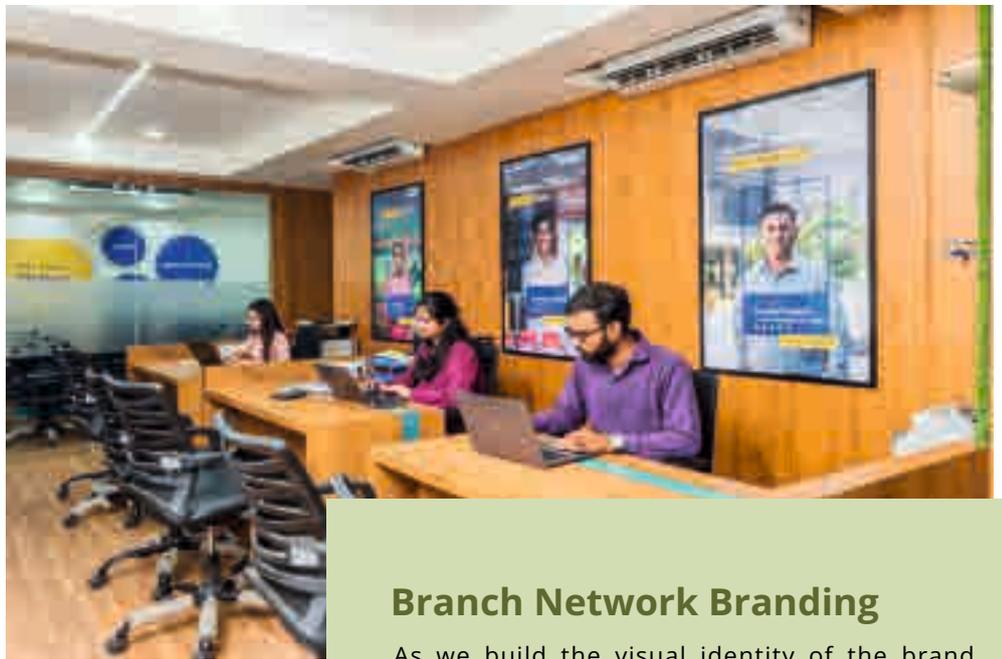
### Transparency: 100% Trust

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

# Social and Relationship Capital Management

Yet, our dedication to customer satisfaction goes beyond mere transactions. We understand that grievances can arise, and when they do, we are committed to addressing them promptly and empathetically. Through a robust grievance redressal mechanism, we ensure that every concern is heard and resolved with the utmost care and efficiency.

At HomeFirst, we don't just finance homes; we make dreams transform into reality. We understand the transformative power of homeownership, not just in providing shelter but in fostering stability, security, and prosperity for families across the nation. As we continue to pave the way for the Indian middle class to thrive, we remain steadfast in our commitment to being a trusted partner on this journey of growth and empowerment.



## Branch Network Branding

As we build the visual identity of the brand HomeFirst, our goal is to become the trusted guide for our customers - simplifying their homeownership journey in every way possible.

All our branches are designed thoughtfully. They are vibrant workspaces with young, energetic individuals to welcome you to your home and make your loan journey stress-free. When we say "make yourself at home" we mean it!

**Brand attribute: Friendly & Approachable**



# Social and Relationship Capital Management

## Our Differentiators



**Single Point of Contact**  
across the journey of the loan

1



**No Physical Documents**  
required from lead to approval stage

2



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

3



**Customized Loan**  
"We See You, Not Your Documents"

4



**Approval in 48 hrs**  
Fastest Turnaround in the Industry

5



**No Hidden Charges**  
One time fixed charges

6



**Easy Prepayment**  
Zero prepayment charges

7



**Consent Call Before Disbursal**  
Disbursal only with customer permission

8



**Mobile App**  
Full feature app with prepayment option

9



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

10

# Intellectual Capital Management



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

We have continuously led the way in leveraging technology for product innovation, driving efficiencies, and promoting sustainable business expansion. Technology is integral to every aspect of our operations, from customer onboarding to loan disbursement, ensuring a fully paperless process. Over the past year, we have upheld our dedication to investing in technology, consumer insights, and advanced analytics, empowering us to deliver engaging customer experiences, streamline decision-making, and elevate operational performance.

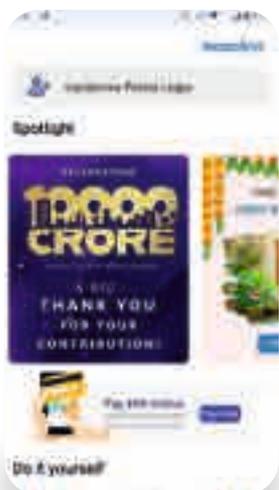
## Business Transformation and Digitization:

For HomeFirst, embracing digital transformation is crucial to maintaining competitiveness in today's digital-centric landscape. From streamlining internal processes to enhancing customer experiences, digitization is woven into every aspect of operations. By digitizing legacy processes, HomeFirst minimizes manual errors, reduces processing times, and boosts operational efficiency. Moreover, digital channels

facilitate omnichannel engagement, enabling customers to seamlessly interact across web portals, mobile apps, and social media platforms. Customers can reach out to us using the Customer Portal App, our website, email or even our Whatsapp number. This omnichannel strategy fosters customer loyalty and enhances HomeFirst's brand positioning in a crowded market landscape. We also have a lead management system (LMS) - Kaisys. It is an internally developed LMS with omnichannel communication and a personalized sales journey, integrated with bureau and third-party data sources.

## Mobility Solutions:

In a fiercely competitive sector, we have stayed dedicated to nurturing our innovative advantage through strategic investments in cutting-edge technology, in alignment with international trends. Our strategy is rooted in design thinking, enabling us to resonate with the continuously evolving preferences of our clientele. At Home First, our primary focus is on the customer, with them occupying the forefront of all our initiatives. Each innovation we develop and execute is guided by the ultimate goal of delivering an exceptional customer experience.



**HomeFirst Customer Portal App**

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



**HomeFirst Connect**

This app is for our Channel Partners to login their leads and track the status of the leads provided. The connectors can also track their payouts against each case and the latest transaction statement.

# Intellectual Capital Management



## HomeFirst RM Pro

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

## Data Analytics

Data has emerged as a transformative asset, offering unparalleled insights into customer behaviour, market trends, and risk management. At HomeFirst, we meticulously underwrite a customer by gathering over 100 data points about a customer - ranging from demographic details, bureau details, home verification and work verification to data collated from third-party aggregators. We access valuable information on fraud, vehicle ownership, and taxation, facilitating swift and accurate decision-making. Additionally, our in-house machine-learning customer scoring models play a crucial role in enhancing our underwriting process. We

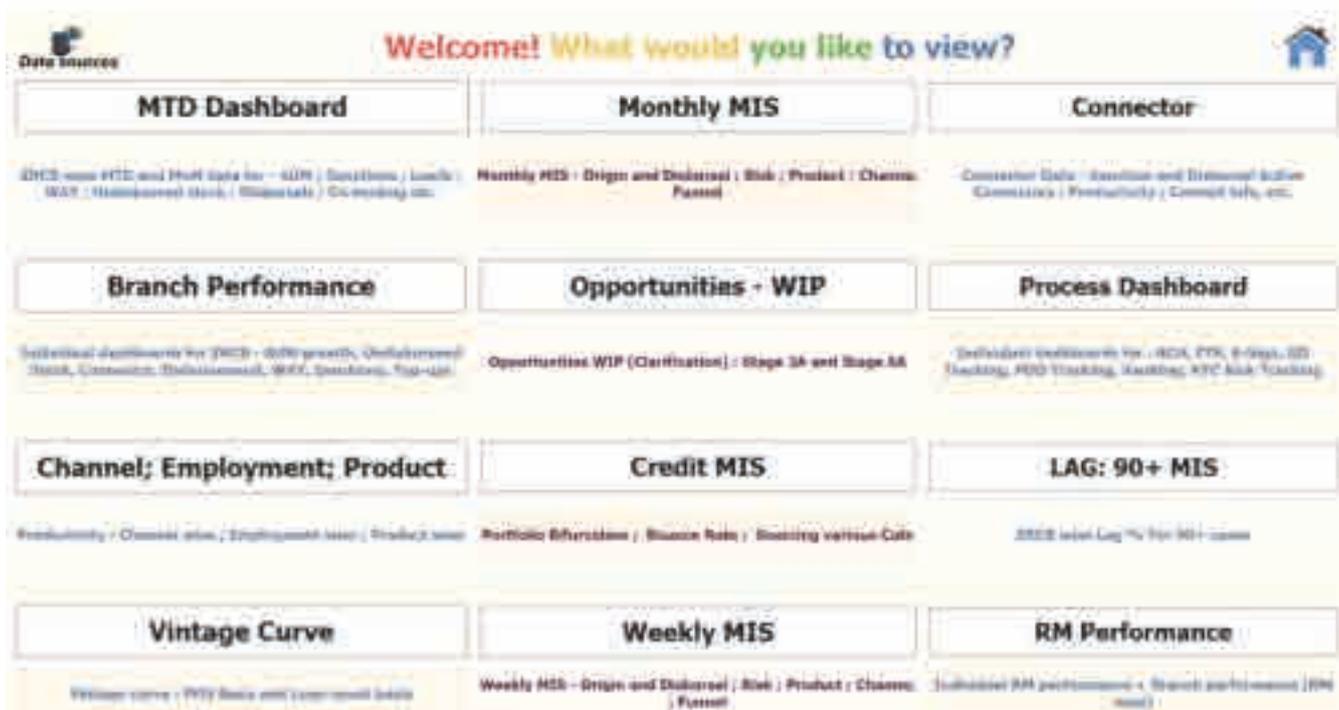
use ML-based models to predict the collections, and early closures as well as to predict the propensity of lead conversion. We use data analytics to predict market trends, identify locations showing growth and thereby devise expansion strategies.

Moreover, all our financed properties are geo-tagged, and we utilize a machine-learning-backed property price predictor to achieve higher accuracy in determining the loan-to-value ratio. The seamless integration and availability of data across platforms and users enable us to process loans in a paperless manner and with quick turnaround times.

To safeguard and utilize the wealth of information from our various applications, we employ a data lake. This accelerates data consolidation, visualization, the creation of machine learning models, and model application. Additionally, the data lake facilitates in-depth analytics that enhance operational decisions.

Moreover, we utilize software like Tableau to generate real-time MIS reports and visualize data, aiding in the monitoring of key parameters and facilitating prompt decision-making. We have Dashboards prepared on Tableau covering various parameters such as productivity, growth, delinquency, risk and digital penetration which are monitored regularly to make quick decisions.

# Intellectual Capital Management



## Tech Infrastructure

The company is currently using cloud-based technology (Salesforce platform) for Loan Origination System (LOS) & Loan Management System (LMS).

**LOS:** Customer information required for loan application processing is captured in this system. The information is available on a real time basis and is integrated with our mobile platforms.

**LMS:** Loan booking, generating amortization schedules, account statement, billing, payments and collections management is done in this platform. It enables real-time online updates of transactions and is integrated with our mobile platforms.

Our LOS and LMS are integrated with each other on the Salesforce Platform. It also has the capability to integrate with other systems and mobile applications using APIs.

**Mobility:** We have mobility solutions in place to cater to customers, employees, and service providers. Customer mobile application enables quick and transparent product related transactions along with access to loan statements, repayment, and prepayment of loans, and raising of queries without having the need to visit the physical branch.

All the systems being used in the organisation, have the capability of providing different MIS as per business requirement which can be customised and extracted as per the requirement of the end user. Reports and MIS dashboards can be generated directly from respective systems.

Additionally, we've established infrastructure for E-NACH, E-signing, E-Stamping, and E-vaulting. Through our website and Customer Portal App, potential customers have the opportunity to self-onboard and receive soft approval, enhancing accessibility and convenience.

# Intellectual Capital Management



In summary, intellectual capital stands as the cornerstone for achieving success in the housing finance sector, enabling companies to innovate, distinguish themselves, and flourish amidst market changes. Through the utilization of mobility solutions, data analytics tools, lead management systems, cloud

infrastructure, business transformation, digitization, and ML models, HomeFirst can tap into fresh possibilities, enhance operational efficiency, and provide unmatched value to both customers and stakeholders.



## India vs Pakistan, WC Cricket

Cricket is a religion, and we had to talk about it!

*Brand attribute: Speed*

# Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
 <p>SDG 1: No Poverty</p>	<p>Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p>	<p>Launched Project Sashakt with an aim to elevate migrant households from the bottom of the pyramid through comprehensive socio-economic improvement. aspects in Narol and Naroda, Gujarat. We currently support about 3500+ families through our efforts aimed at skilling, education, financial literacy and health.</p>
 <p>SDG 2: Zero Hunger</p>	<p>Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p>	<p>We have helped 10 marginalized farmers in Palghar, Maharashtra, with solar irrigation systems to help them cultivate multiple crops for a more stable and sustainable livelihood.</p>
 <p>SDG 3: Good Health and Well-being</p>	<p>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>	<p>We conduct weekly OPDs, regular eye and dental check-up camps along with medicines and spectacles distribution in our project locations and partner schools that have witnessed over 10,000 walk ins. Along with these, we have conducted Menstrual Awareness campaigns with over 1000 school girls and distributed sanitary pads in Narol. We also conducted 240+ pre-emptive body profiling for men &amp; women above the age of 40 years to help them with early detection and prevention of disease/disorders.</p>
 <p>SDG 4: Quality Education</p>	<p>Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p>	<p>We have established Science Labs in 10 schools in Narol &amp; Naroda which is being used by over 5000 students and helped us further the students' interest in STEM courses and improve their understanding of concepts. Bal Sashakt - an integrated educational program aimed at well-rounded development of children in the project community has catered to over 435+ students in the financial year.</p>

# Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
 <p>SDG 4: Quality Education</p>	<p>Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<p>Sashakt Skilling Centres at Narol and Naroda offer the community members with trainings across trades such as tailoring, beauty therapists, GST with Tally, Data Entry Operations, Retail Sales executive and Gruh Udyog to enable them with skills that can directly lead to their employment through placements or help them become self-employed. We have had 1400+ students (mainly women) enrolled in these courses.</p>
 <p>SDG 5: Gender Equality</p>	<p>Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p>The major strength behind the success of Project Sashakt have been the women of the community. About 90% of our skilling beneficiaries are women. Their skilling has resulted in income generation leading to a higher family income. Mahila Shram Shakti Kendra as a whole project is dedicated to empowerment of women migrants and construction workers.</p>
 <p>SDG 6: Clean Water and Sanitation</p>	<p>Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	<p>We took a step towards water conservation with the Rainwater Harvesting Project at Vishwabharati School in Narol promoting the importance of water sustainability amongst the students and local resilience.</p>
 <p>SDG 7: Affordable and Clean Energy</p>	<p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>We have helped 10 marginalized farmers in Palghar, Maharashtra, with solar irrigation systems to help them cultivate multiple crops.</p>
 <p>SDG 8: Decent Work and Economic Growth</p>	<p>Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training</p>	<p>Sashakt Skilling Centres at Narol and Naroda offer the community members with trainings across trades such as tailoring, beauty therapists, GST with Tally, Data Entry Operations, Retail Sales executive and Gruh Udyog to enable them with skills that can directly lead to their employment through placements or help them become self-employed. we have had 1400+ students (mainly women) enrolled in these courses.</p>

# Linking of SDGs

UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
 <p>SDG 8: Decent Work and Economic Growth</p>	<p>Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>	<p>Mahila Shram Shakti Kendra, a flagship initiative is focused towards protecting and promoting the rights of women construction workers, including migrants. We have connected with over 5000 women and linked over 90+ with On Job Training Linkages.</p> <p>Through our efforts in our project locations, we have been promoting financial literacy in the community with the help of Suryoday Foundation, educating youngsters as well as other community members about banking, insurance and other financial supports available to them. Mahila Shram Shakti Kendra also promotes the financial literacy of the women construction workers.</p>
 <p>SDG 10: Reduced Inequalities</p>	<p>Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Project Sashakt, the flagship project under HomeFirst's CSR activities is aimed at the holistic upliftment and socio-economic empowerment of the migrant households in the Narol and Naroda regions of Gujarat. The project initiatives have largely helped the women in the community as well. We currently support about 3500+ families through our efforts aimed at skilling, education, financial literacy and health.</p>
 <p>SDG 11: Sustainable Cities and Communities</p>	<p>Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>	<p>HomeFirst is in the business of providing affordable housing finance to customers belonging in the lower and middle income groups.</p>
 <p>SDG 16: Peace, Justice and Strong Institutions</p>	<p>Target 16.5 Substantially reduce corruption and bribery in all their forms</p> <p>Target 16.6 Develop effective, accountable and transparent institutions at all levels</p>	<p>We have Anti-corruption and Anti-Bribery policy - This policy also outlines the Company's policy concerning the prevention and identification of bribery and corruption, as well as the procedures to be followed, if any fraud is discovered or there is any suspicion that it may exist. HomeFirst is committed to ensuring ethical business practices and transparency in the conduct of its operations. Transparency is one of our 3 core values.</p>

# Linking of SDGs



UN SDG Covered	Target Covered Under the SDG	Initiatives undertaken at HomeFirst
 <p>SDG 17: Partnerships for the Goals</p>	<p>Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</p>	<p>Collaborative efforts with trusted and known organizations (CSR implementing agencies - Elixir Foundation, Respire Experiential Learning, Ajeevika Bureau Trust, Suryoday Foundation, Wings to Fly, Keshav Srushti, and others) to achieve sustainable development goals while transforming communities through our efforts in skilling, education, health and financial literacy.</p>

# GRI Index



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# GRI Index

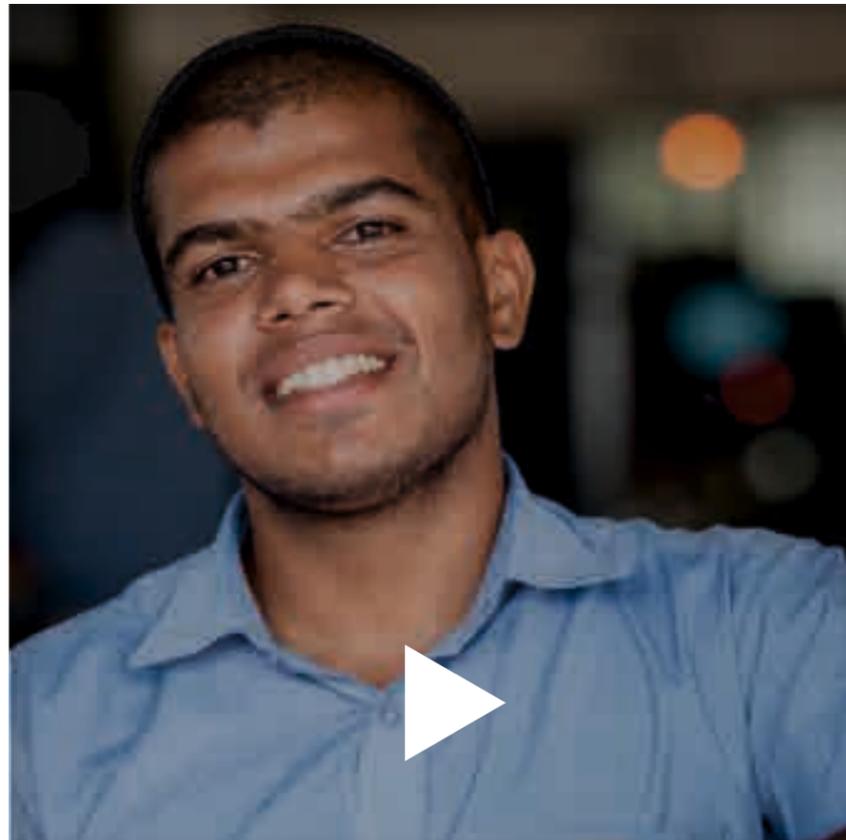
<b>GRI 102</b>	<b>General Disclosures</b>	<b>Page Numbers and/or URLs</b>	
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# GRI Index

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Home\_First · Follow



**Mahendran Ayyasamy**

*CNC Programmer*

# Statutory

REPORTS

# Management Discussion and Analysis

Like every year, the following section will give you an overview of the relevant drivers of the Housing Finance sector that HomeFirst operates in. We have structured in the following manner for your better understanding:

- Resilience of the Indian Economy - Growth despite major disruptions
- Strong FY24 performance & Strong GDP Growth Outlook amongst peers
- Industrial Momentum Continues, GFCF at highest levels
- Export Drives Vibrancy in Our Core Markets
- Large Opportunity in India's Housing Finance
  - Rise of Middle Class & Increasing Discretionary Consumption
  - Strong Correlation of Per Capita Income with Mortgage to GDP %
  - Focus on new emerging states as growth drivers for next decade
- Banks focus on large ticket size, less intensive operationally & with cross-sell potential
- Amidst regulatory tightening, secured products like Housing Finance are a preferred segment
- Tech adoption - India is making irreversible & non-linear changes
- Conclusion

HomeFirst has multiple drivers for growth over the next decade. We have highlighted here a comprehensive list of drivers comprising macro drivers, industry drivers, government initiatives and conducive regulatory framework.

## Exhibit: Housing Loan Growth Drivers

Housing Loan Growth Drivers for HomeFirst	
	<p><b>Improved affordability</b></p> <p>Only 3.0% price rise CAGR between Dec'18 &amp; Dec'23</p> <p><i>Source: RBI</i></p>
<p><b>Resilient Indian Economy</b></p> <ul style="list-style-type: none"> <li>• Economy has weathered major disruptions (GST, Demon, IL&amp;FS, etc).</li> <li>• Highest GDP growth expected amongst large economies.</li> <li>• Fiscally prudent macro finances, Leading to lower interest rates in future.</li> <li>• Regulatory compliance strengthening risk management &amp; further strengthening compliant corporates like HomeFirst</li> </ul>	<p><b>IndiaStack - a boon to tech led HF players</b></p> <p>Industry leading turnaround time - helps create brand</p>
	<p><b>Focused presence on large addressable markets</b></p> <p>Industry leading metrics on productivity &amp; Market Share</p>

## Housing Loan Growth Drivers



Source: RBI, IMF, KPMG, MOSPI, Internal Working

\*Banks share in ticket size above ₹25 Lakhs  
#Includes HDFC Limited

# Management Discussion and Analysis

## Resilience of the Indian Economy - Growth despite major disruptions

Indian economy has been resilient over the past many decades due to its structural composition supported by various sectors. Services Sector & Domestic Consumption strength has helped Indian economy tide away large disruptions. Indian economy has not witnessed negative growth since 1990s (except Covid-19) and the average decadal growth rate has witnessed increasing trend of around 7% in 2020s decade.

**Exhibit: Resilience In India Economy, represented by Increasing decadal GDP Growth Rate. India is a key driver of global GDP growth engine in current times and for decades to come.**

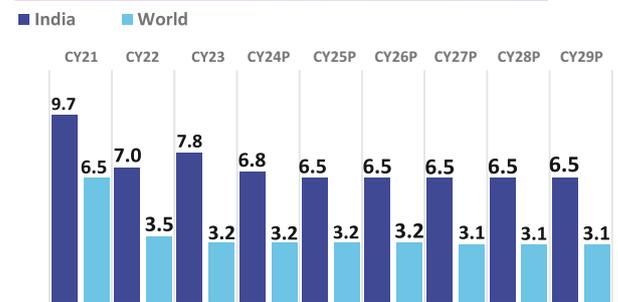


Source: Company Workings

## Strong FY24 performance & Strong GDP Growth Outlook amongst peers.

According to the latest IMF's World Economic Outlook (April'24), world economy is projected to grow by ~3.2% CAGR in the near future, similar to growth observed in 2023. However, India, which is the fifth largest economy is projected to fare much better than peers with the highest growth rate amongst large economies. It is estimated to grow at ~6.5% CAGR till 2029. Two sectors of the Indian Economy i.e. Services & Industry are expected to grow by 7.9% & 9.0% respectively in FY'24 as per RBI. With government initiatives like PLI, improving "Ease of Doing Business" and China +1 factor, these sectors are expected to continue to grow at high growth rates raising economic output, creating more jobs and driving per capita income of the country higher. HomeFirst's business growth is correlated with Indian economy's vibrancy creating more locations as housing ecosystem for your company.

### India vs Global Real GDP Growth (%) >>

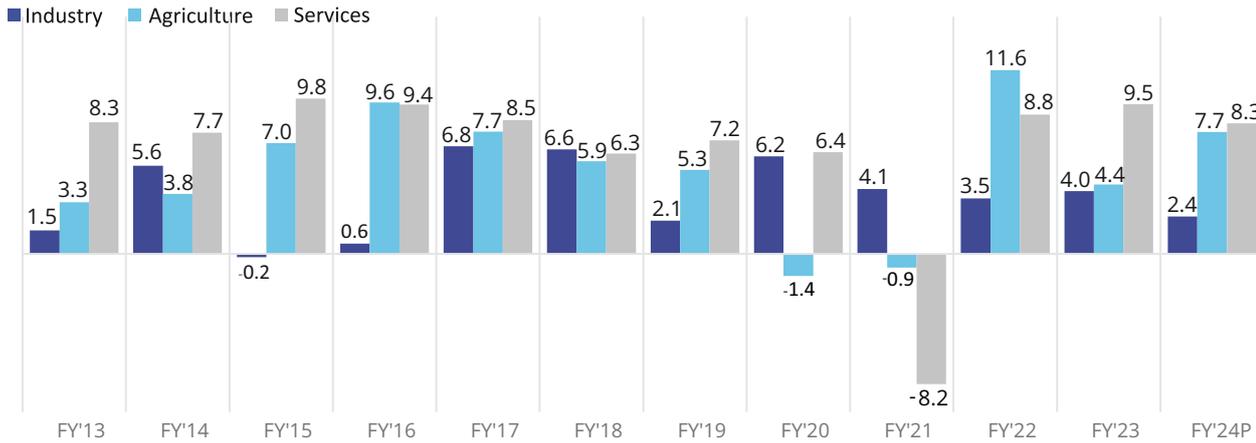


Source: IMF, World Economic Outlook, Jan'2024

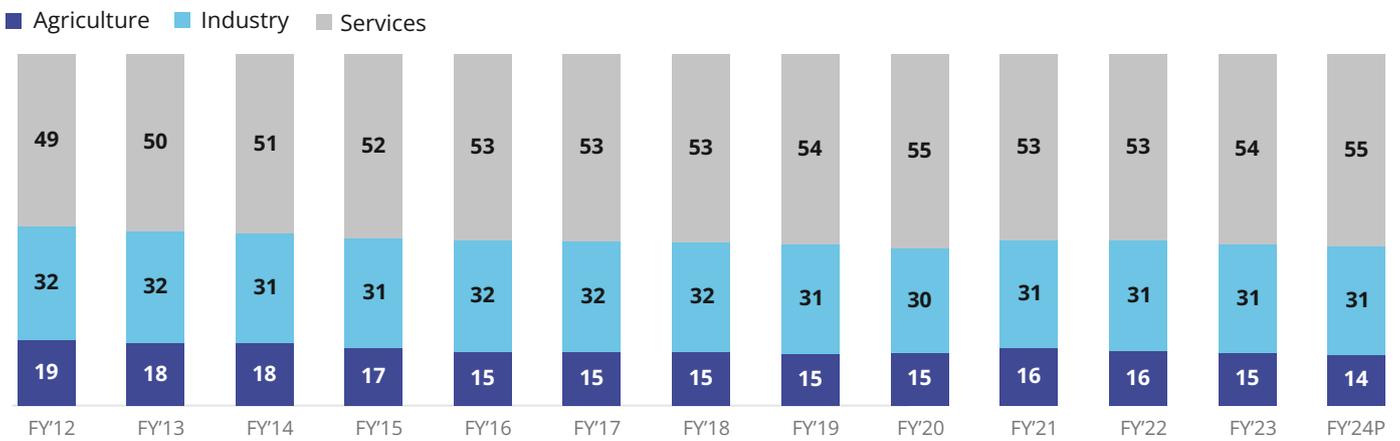
# Management Discussion and Analysis

**Exhibit: Indian Economy contribution by 3 major sectors. Services continue to grow, followed by the industry where the government has a strong focus. Note that the segmental growth numbers are in Gross Value Added (GVA).**

## Sector-wise growth of Indian Economy >>



## GVA Composition of Indian Economy (in%) >>



Source: MOSPI (FY'24 is provisional estimate)

**India is expected to be the third largest economy by 2027 (crossing GDP of \$5 Tn) after USA and China moving up from its current 5th position**

### Exhibit: GDP of major economies (\$ Bn in Current Prices).

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

Source: IMF World Economic Outlook, Jan'24



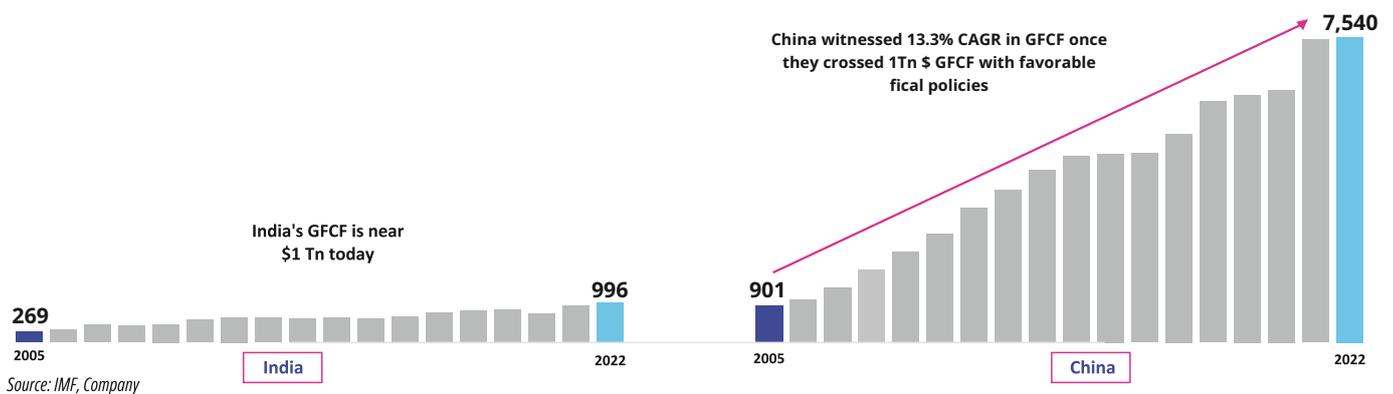
# Management Discussion and Analysis

## GFCF as % of GDP at a new high – Strong Momentum

India's current GFCF at ~\$1Tn is comparable to China's GFCF in 2002. China delivered sharp growth in GFCF investments post that. Considering conducive fiscal policies, China + 1 momentum and prevailing cyclical revival, India is expected to be on its way to mark a similar capex growth pattern in the next few decades as observed in China.

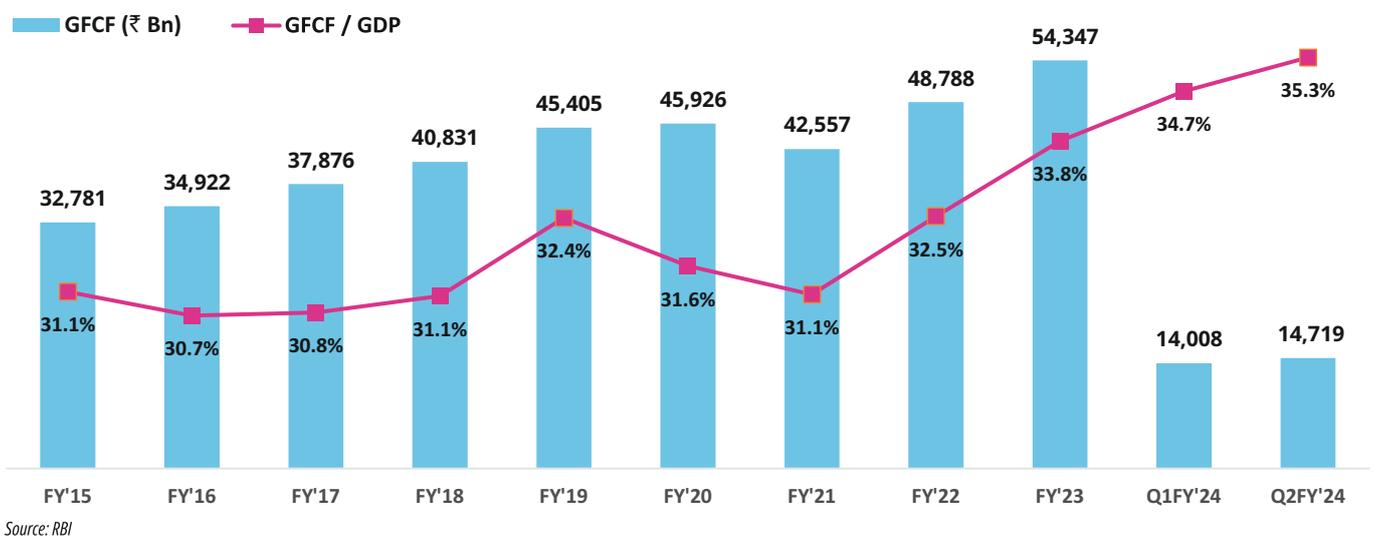
**Exhibit: GFCF Trend over past decade – India's current situation is all set to drive GFCF and drive economic growth.**

### GFCF (\$Bn Current Prices) >>



If we look at India's GFCF to GDP ratio, it has hovered around the 30% of GDP mark for the last 5-7 years (see exhibit below) and it has reached the highest level of 35%+ in Q2FY24. India is amongst the very few countries in the world that is now investing large sums in fixed capital in Infrastructure & industries. Whilst government capex has grown at a 14% CAGR in nominal terms over FY19-23, growth in private sector capex has been relatively modest, growing at 7% CAGR in nominal terms over the same period. We expect the private sector capex to pick-up pace over the next decade on the back of favorable fiscal policies like PLI, China + 1, etc.

### GFCF to GDP ratio highest in Q2FY24 >>



# Management Discussion and Analysis

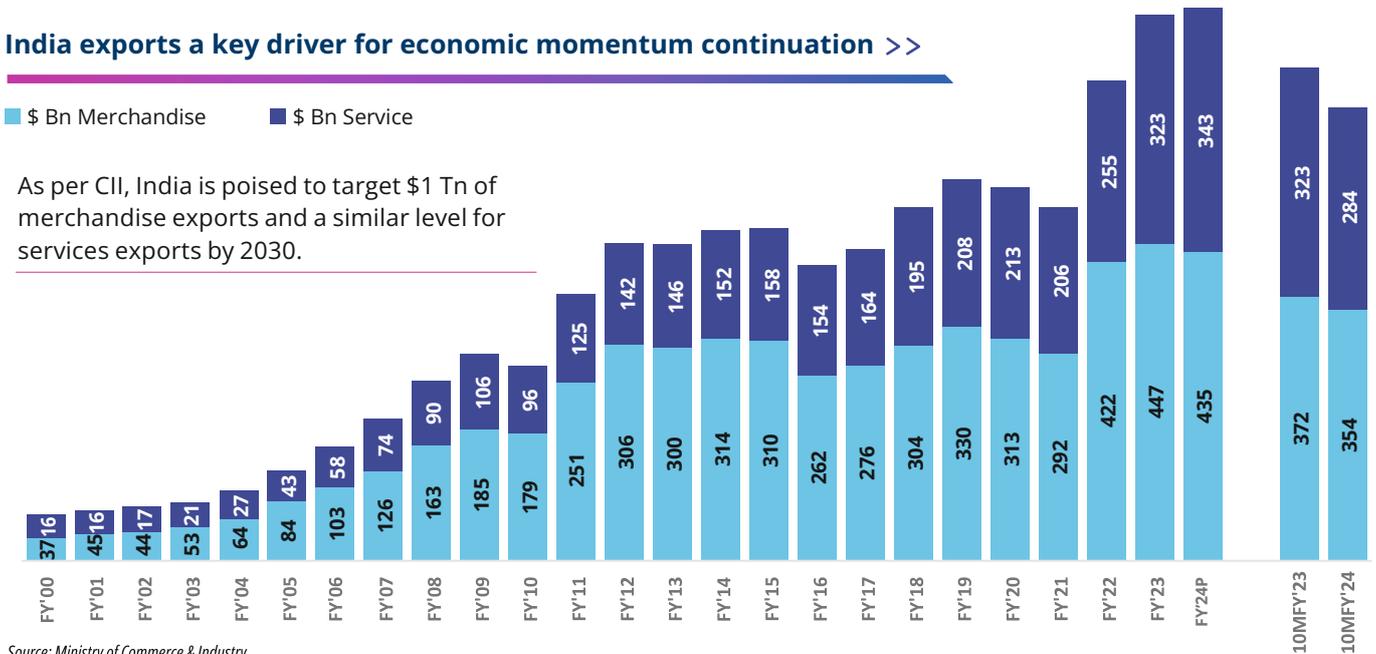
## Export Drives Vibrancy in Our Core Markets

In FY24, India is expected to deliver merchandise exports of \$ 435 Bn, a minor dip of 3% despite the uncertain global macro. Services export is maintaining its momentum and is expected to cross \$ 340 Bn in FY24.

## India exports a key driver for economic momentum continuation >>

■ \$ Bn Merchandise    ■ \$ Bn Service

As per CII, India is poised to target \$1 Tn of merchandise exports and a similar level for services exports by 2030.



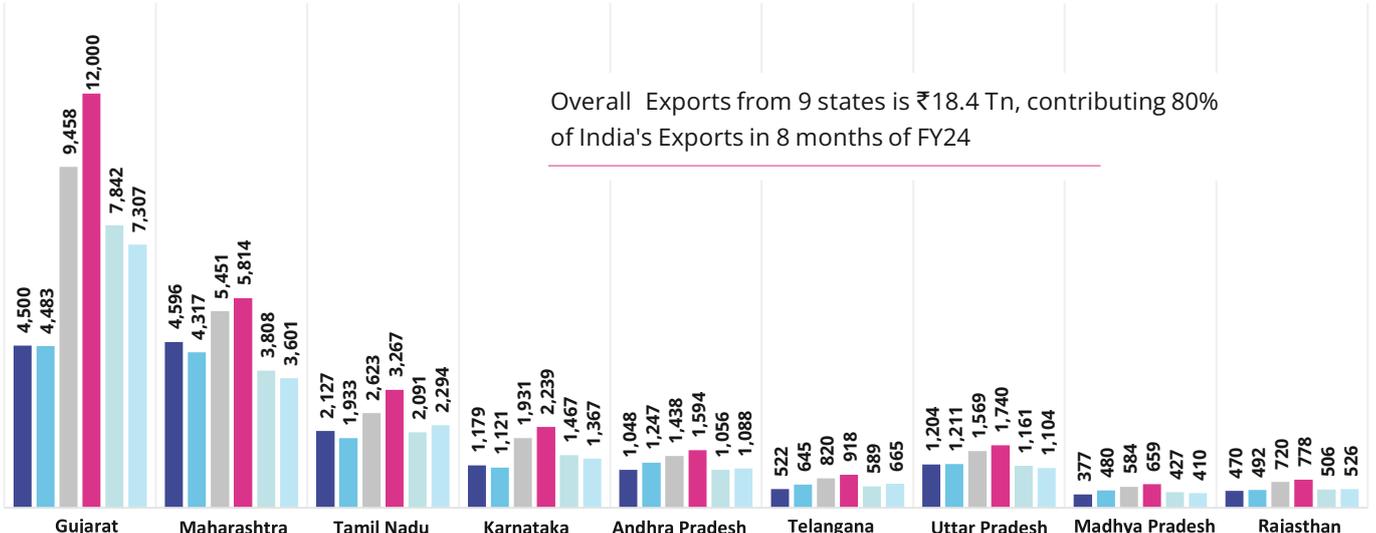
Source: Ministry of Commerce & Industry

HomeFirst's 6 focused states have higher concentration in Total Export Mix of India (Average of 68% during FY'20-8MFY'24). By adding the 3 emerging states of Uttar Pradesh, Madhya Pradesh & Rajasthan, this number moves higher to 77%. Presence in high export states have helped us to scale business on the back of vibrant economies created by export industries eventually supporting housing ecosystem.

## Exhibit: Exports of 6 specific focused states + 3 Emerging States contribute 4/5<sup>th</sup> of India exports.

## Exports in HomeFirst 6 Focused + 3 Emerging States (in ₹ Bn) >>

■ FY'20    ■ FY'21    ■ FY'22    ■ FY'23    ■ 8MFY'23    ■ 8MFY'24



Overall Exports from 9 states is ₹18.4 Tn, contributing 80% of India's Exports in 8 months of FY24

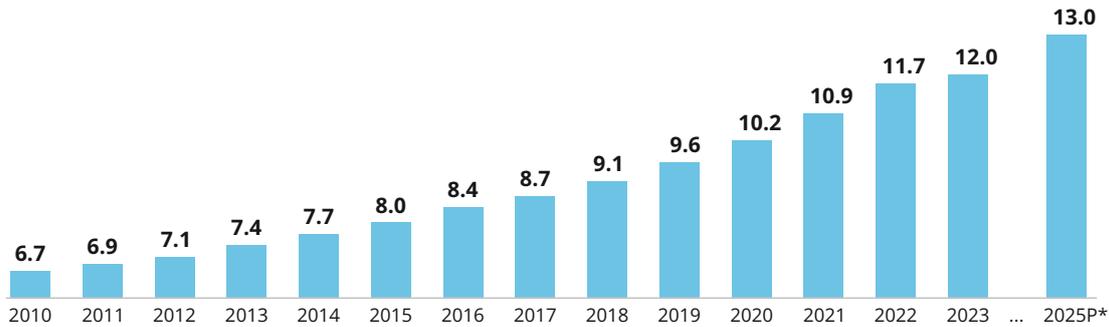
Source: Government of India

# Management Discussion and Analysis

## Large Opportunity in India's Housing Finance vis-a-vis large peers

Because of the small base, mortgage to GDP Ratio in India is rising and is expected to rise.

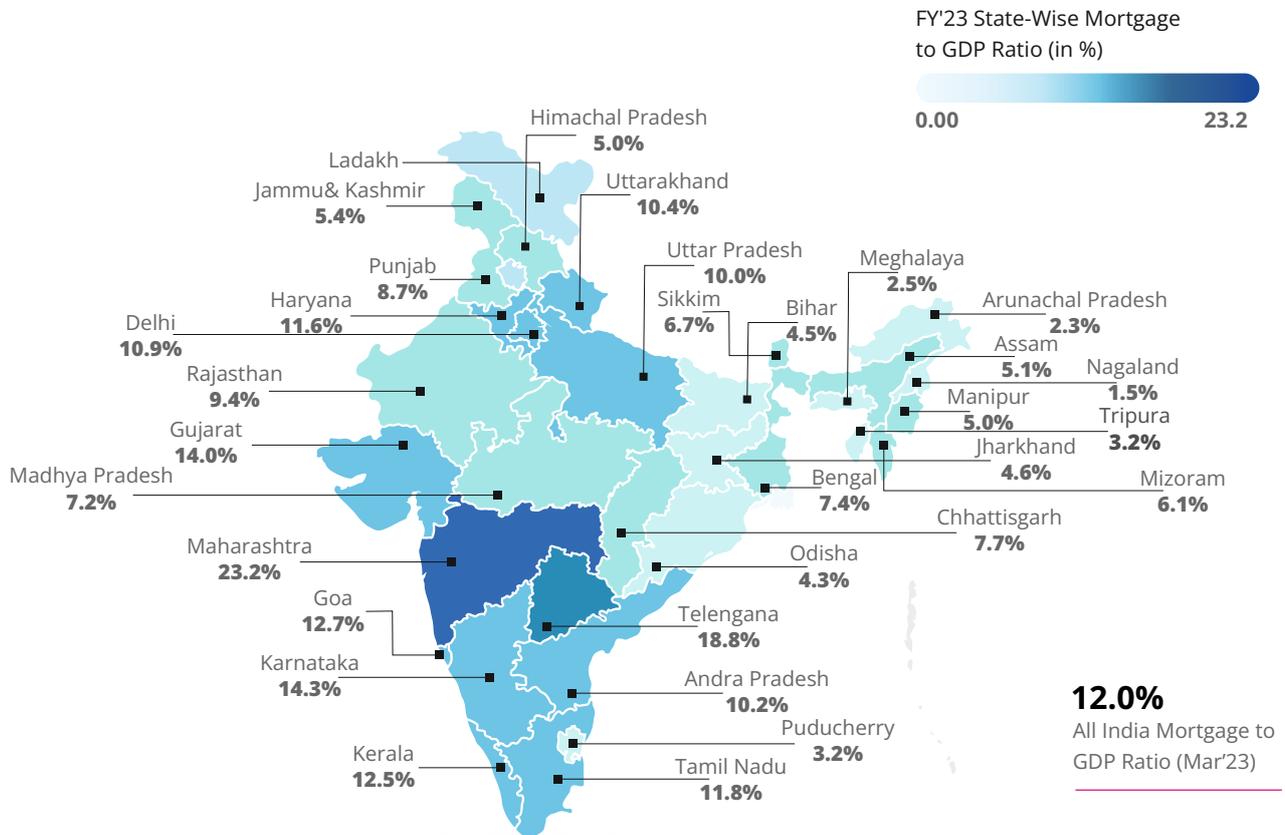
### India Mortgage to GDP % >>



Source: CSO, RBI, \*KPMG Projection.

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

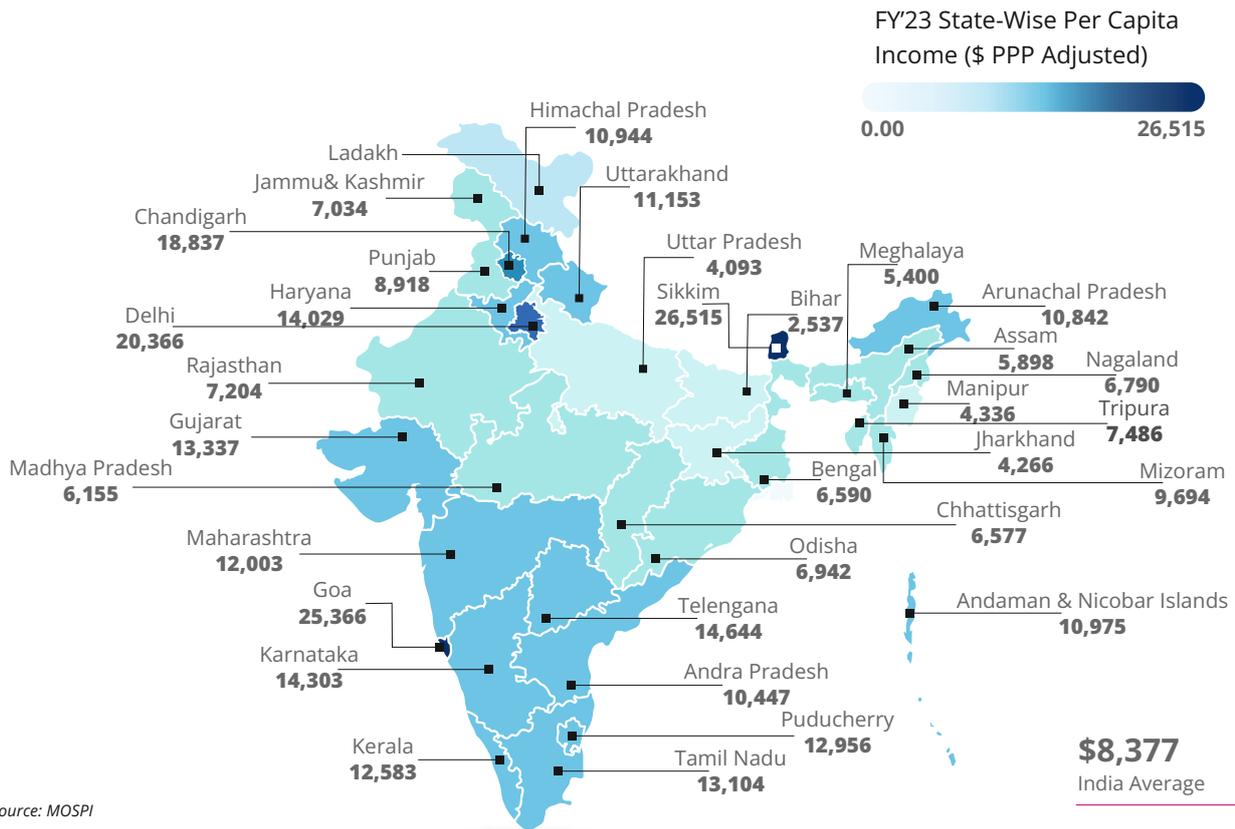
### Exhibit: India's state-wise Mortgage to GDP ratio



Source: NHB

# Management Discussion and Analysis

## State-wise Per Capita Income (\$ PPP Adjusted) as on Mar'23 >>

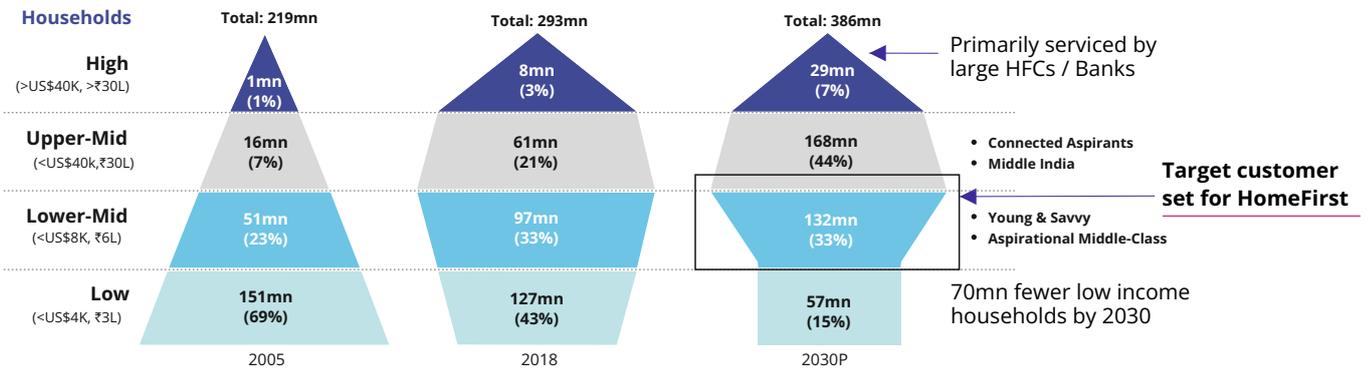


# Management Discussion and Analysis

## Rise of Middle Class & Increasing Discretionary Consumption

The growing Indian economy will lead to a rising middle class population and provide a secular opportunity for Housing Finance. In the chart below, we highlight the target segment for HomeFirst i.e. Lower-Mid category plus a section of Upper-Mid category. These segments are seeing the largest addition of households.

**Exhibit: With increasing share of middle-class households, the pyramid structure today will turn in to a diamond in 2030 and drive affordable housing segment growth.**



Source: WEF, Bain, Future of Consumption in Fast-Growth Consumer Markets: INDIA, January 2024

Household income per annum classification as per report: Low < \$4k (< ₹3 lakhs), Lower-middle-\$8k (< ₹6 lakhs), Upper-middle-\$40k (< ₹30 lakhs), High:>\$40k (>₹30 lakhs). Household Income per annum at FY18 prices.

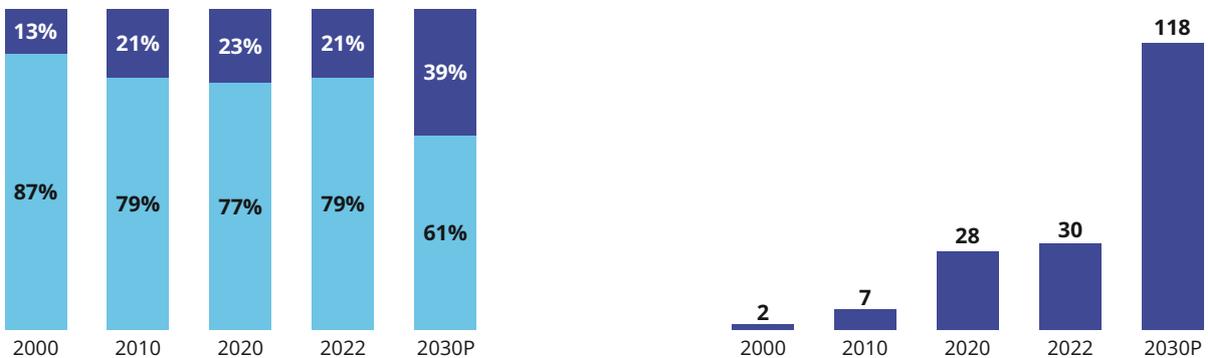
**As per Macquarie, the share of India's discretionary spending will increase from 21% in 2022 to 39% in 2030. More households & higher discretionary spends is a perfect setup for housing sector growth.**

## Exhibit: India Household Consumption: Discretionary vs Essential

### Aggregate Household Consumption Spend >>

### Discretionary Spend (₹ Tn) >>

■ Essentials ■ Discretionary



Source: NFHS, MoSPI, IndiaDataHub, Macquarie Research, January 2024  
Source: Macquarie

As per the FY23 Household Consumption Expenditure Survey (HCES) released by the Ministry of Statistics and Program Implementation (MoSPI), we observe that for the first time Rural India's non-food spends has crossed 50%. This characteristic change of consumption in rural areas has also been due to the rapid urbanisation in the country.

# Management Discussion and Analysis

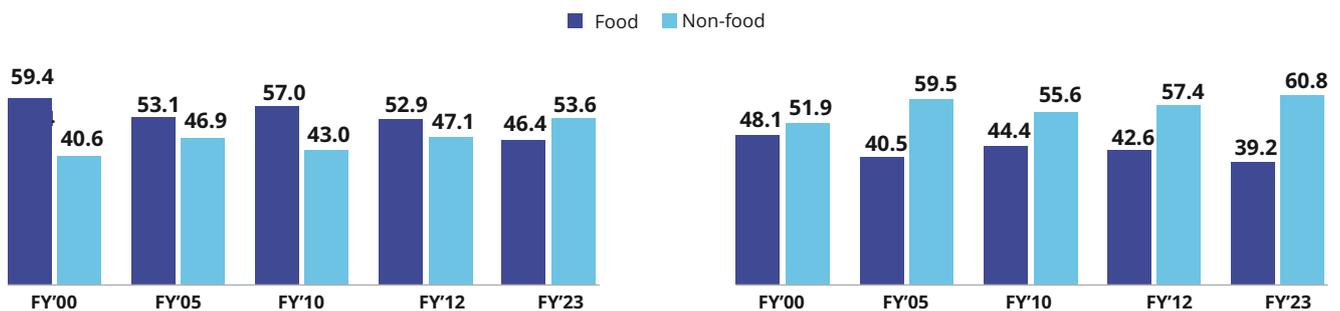
**Exhibit: Food & Non-food spend mix of Rural & Urban India consumers. Non-food crossed food spends for the first time amongst Rural consumers highlighting rising affluence of this segment of consumers.**

## Share of the Wallet in Rural & Urban India

% composition of monthly per capita expenditure

**Rural** >>

**Urban** >>

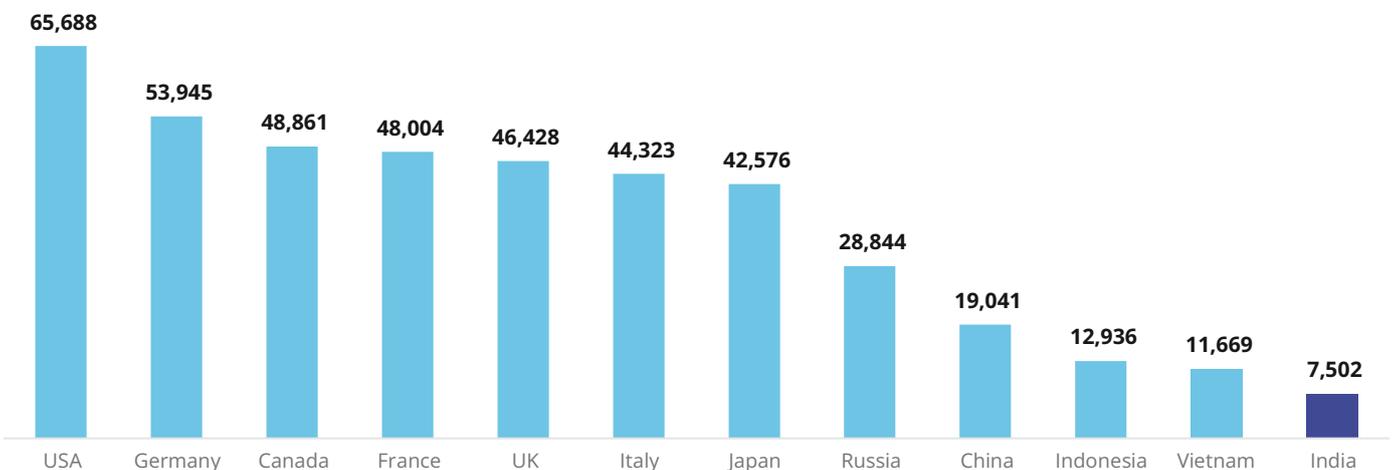


Source: NSO

## Strong Correlation of Per Capita Income with Mortgage to GDP %

Household consumption patterns change with levels of income. Rising per capita income is a key driver for increasing discretionary spending in microeconomic theory. While food accounts for a greater proportion of the consumption basket at low-income levels, rising incomes make consumers accommodate other items in their consumption. Once an economy reaches middle-income level on Per Capita level, expenditure on discretionary items grows faster than per capita income when per capita income is higher than \$7,000 (PPP). It is also this level of per capita income that the need for housing is strongest as the ability of payment of EMI becomes strong. India appears to be at the start of this inflection point for many under-penetrated states which are also our next set of focused states. This makes us expect a sharp rise in demand for housing finance in coming decade and a leading indicator for increasing mortgage penetration as it happened in other countries.

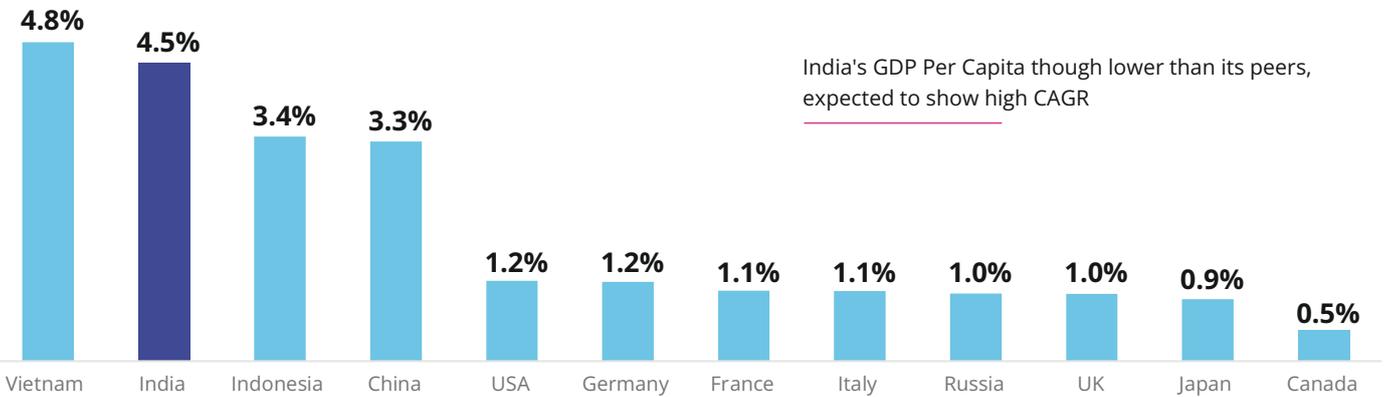
## GDP Per Capita comparison (2023) in \$ PPP at constant prices >>



Source: IMF

# Management Discussion and Analysis

## GDP Per Capita CAGR from 2023 to 2028 >>

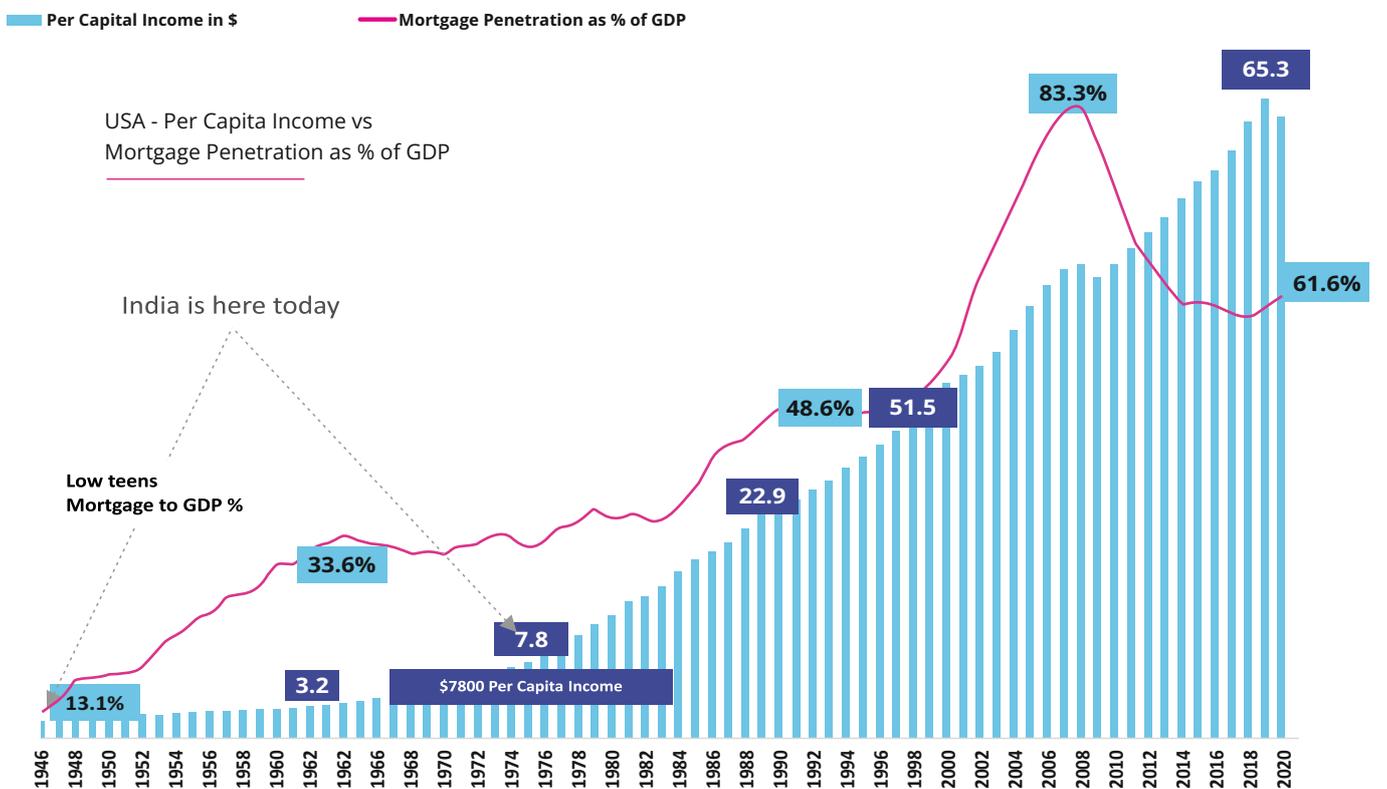


India's GDP Per Capita though lower than its peers, expected to show high CAGR

Source: IMF

Mortgage to GDP ratio in the USA from 1946 to 2000 has seen direct correlation with Per Capita Income. In 1946, per capita income in the USA was at similar levels as where India is now (~\$2000 non-PPP adjusted). As incomes rose from \$2000 to \$5000 (between 1946 to 1973), mortgage penetration has increased from 12% to 30%. If adjusted for PPP, India is at similar levels to where the USA was in 1973. Incomes in the USA have increased from \$6000 to \$35,000 over 1973 to 2000 and mortgage to GDP has moved from 35% to 52% in the same period.

## Increasing per capita income helped increase mortgage penetration in USA >>

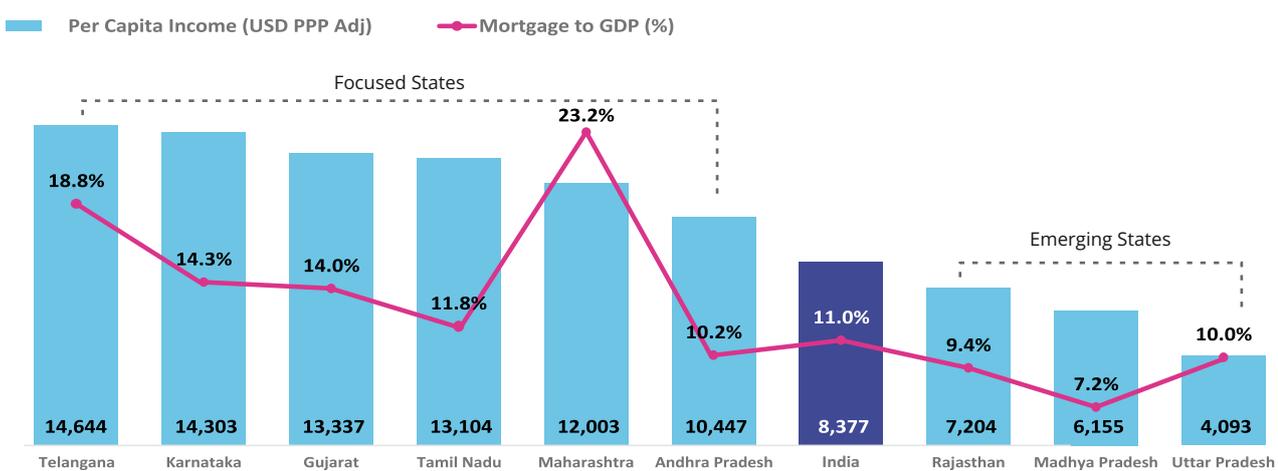


Source: World Bank & US Federal Bank

# Management Discussion and Analysis

Indian states represent similar traits. Maharashtra, Telangana, Karnataka, Gujarat, Kerala, Haryana, etc. has high Per Capita Income and also have high mortgage penetration. As a strategy, we target these markets as it helps us to scale faster. Our focus states are Maharashtra, Gujarat, Tamil Nadu, Karnataka and Andhra Pradesh & Telangana. We believe the states of Uttar Pradesh, Madhya Pradesh and Rajasthan are emerging large markets for HomeFirst and we intend to increase our presence in these 3 states besides 6 focused states.

## Focus states + Emerging States represents 80% of our Total Addressable Market (TAM) >>

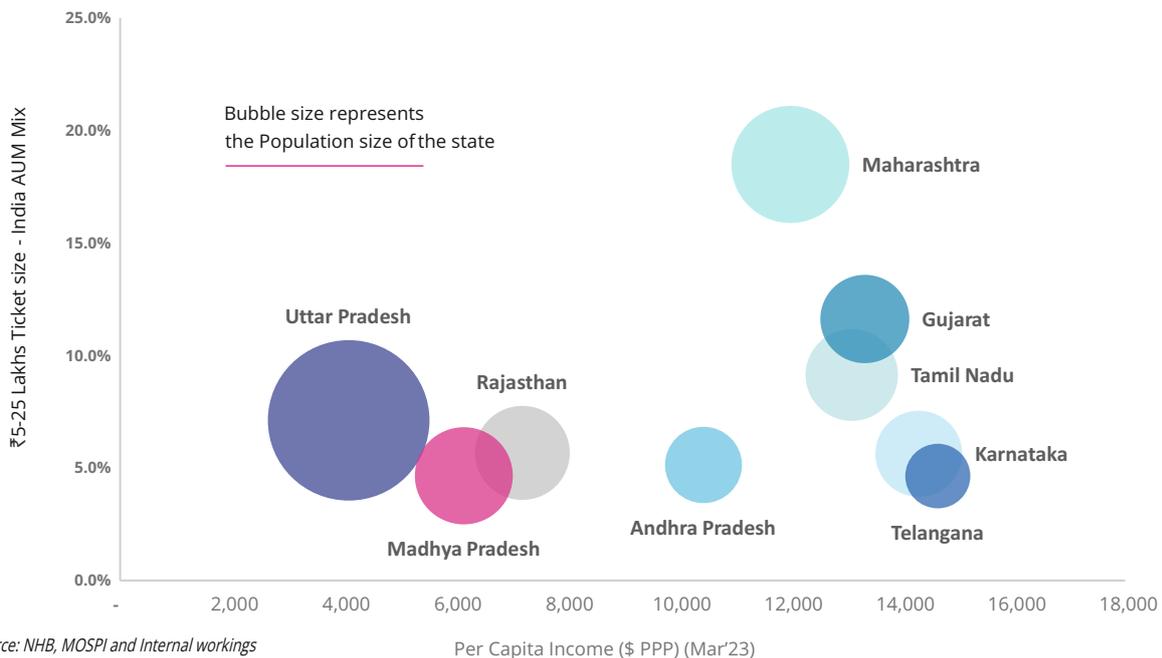


Source: NHB & Company workings. Mumbai's Mortgage to GDP is higher at around 30% whereas Maharashtra (Ex-Mumbai) Mortgage to GDP is around 19%

## Focus on new emerging states as growth drivers for next decade

As a strategy, HomeFirst has had large business presence in Industry focused states. Due to Industrialization, the per capita income of the state is usually higher than other states. Such dynamics helps create housing ecosystem that we look forward to build our presence and has helped us emerge as a large player in our focus states. As you can see below, emerging states have dual drivers for growth: increasing per capita income and large population

## Per Capita Income of Key states of HomeFirst presence vis-à-vis population for opportunity >>



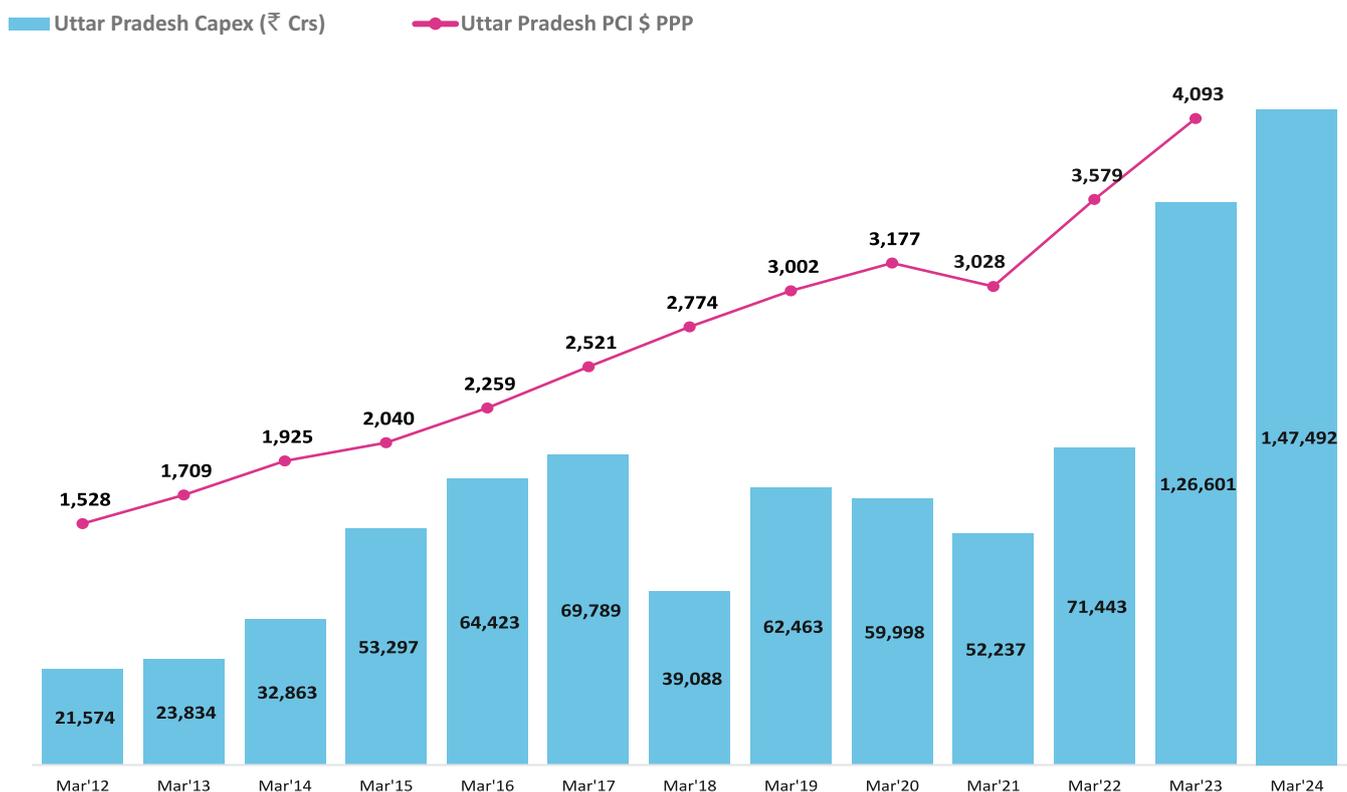
Source: NHB, MOSPI and Internal workings

# Management Discussion and Analysis

Let us share our views with datapoints on why we are so positive on Uttar Pradesh. We believe that Uttar Pradesh (UP) is now at an **inflection point**. With increasing industrialisation, improving law & order situation (now stands at #2 in Ease of Doing Business in India, ranking by Govt of India's "Department for Promotion of Industry and Internal Trade"), UP state is expected to deliver high growth going forward & contribute to India's growth. Maharashtra & UP are the only 2 states which are expected to have more than \$500 Bn GDP by FY'28.

Mega Infra projects in the state of Uttar Pradesh are Noida International Airport, Ganga Expressway, Noida Film City, Delhi-Meerut RRTS, Metro Rail in various cities, Delhi-Varanasi High-Speed Train, etc. Its Per Capita Income of \$4093 (PPP adjusted) as on FY23 is close to the levels seen in Gujarat (\$4300 PPP adjusted) in the year FY12. As the income move north of \$7000 (PPP adjusted), we believe the discretionary spends takes center-stage for customers and housing becomes an important element in the overall scheme of things. The whole housing ecosystem develops as urbanisation & industrialisation leads to higher property liquidity & volumes in the market. Hence, UP is expected to be a large contributor to HomeFirst in the near future. The AUM of UP for HomeFirst increased from ₹268 Crs in Mar'23 to ₹414 Crs in Mar'24, growth of 55%.

## Consistent High Government capex to propel GDP growth of the state >>



Source: MOSPI

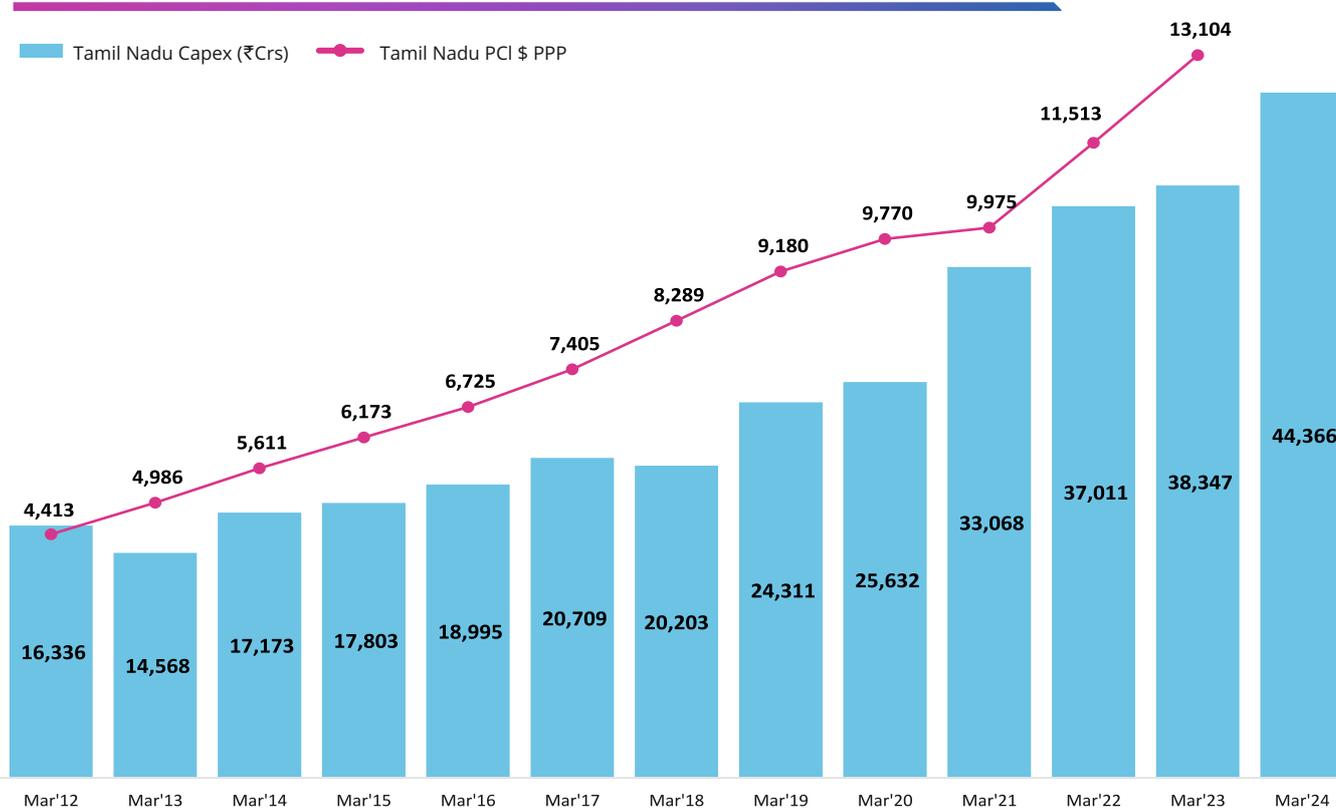
## Tamil Nadu continues its growth momentum - will continue to be a substantial state for HomeFirst

Tamil Nadu is a powerhouse in India's economic landscape, known for its resilience and has been a frontrunner in industrialization in the country. Tamil Nadu's industrialization has been characterized by a diverse range of industries (Auto, Capital Goods & Engineering, Electronics & IT, Textiles, etc). With supportive infrastructure development, it makes one of the leading states for industrial growth in India. As per Knight Frank, by FY48, when India attains its centenary of independence, Tamil Nadu's GSDP is likely to expand to \$2.6 Tn and a key contributor to India's overall economy.

These characteristics is what, we believe, makes perfect landscape for HomeFirst. Tamil Nadu currently forms about 15% of our AUM. AUM CAGR has been 43% for the past 3 years.

# Management Discussion and Analysis

## Tamil Nadu maintains its Industrialised state status with regular capex >>



Source: State Budgets

## Exhibit: RBI's Sector-wise lending status also shows that credit to "Industry's" has grown the most in the emerging states in past ~4 years (₹ Crs)

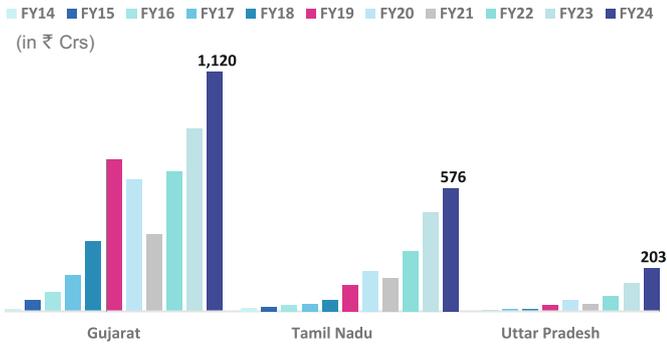
Period	31-Mar-20	30-Sep-23	CAGR
Maharashtra	9,65,559	10,14,350	1.4%
Delhi	6,83,612	6,67,419	-0.7%
Gujarat	2,29,363	2,85,286	6.4%
Tamil Nadu	2,54,468	2,85,039	3.3%
Karnakata	1,66,403	2,00,277	5.4%
Telangana	1,74,090	1,92,931	3.0%
Uttar Pradesh	80,641	1,43,933	18.0%
Haryana	66,141	1,27,640	20.7%
Rajasthan	57,185	94,668	15.5%
Andhra Pradesh	72,723	89,641	6.2%
Madhya Pradesh	48,420	71,027	11.6%
Chhattisgarh	25,180	41,855	15.6%
Jharkhand	11,140	18,592	15.8%
Uttarakhand	11,851	14,961	6.9%
Himachal Pradesh	4,510	7,112	13.9%
Other States	3,63,149	4,19,244	4.2%
<b>Grand Total</b>	<b>32,14,436</b>	<b>36,73,976</b>	<b>3.9%</b>

Source: RBI

# Management Discussion and Analysis

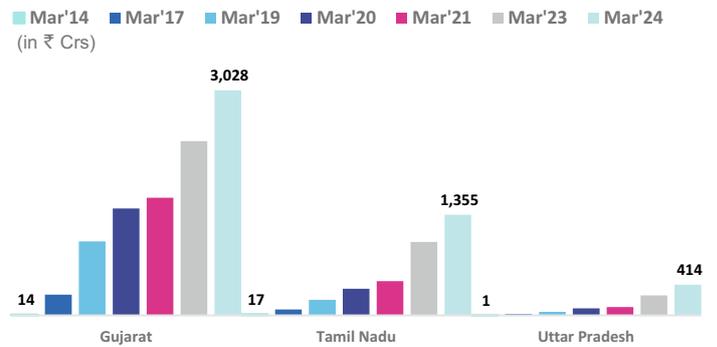
We also see a strong correlation of Per Capita Income with HomeFirst's business growth over the year.

## HomeFirst disbursements trend since FY14 >>

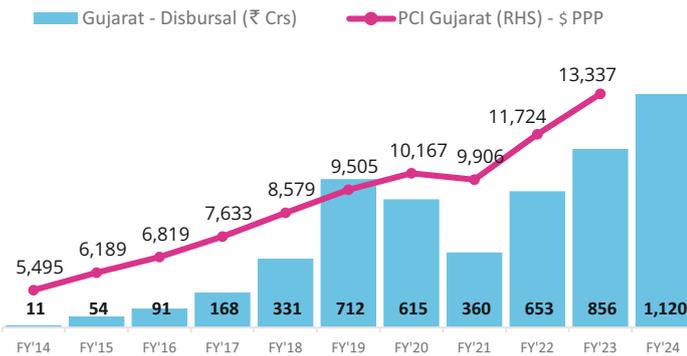


Source: Company

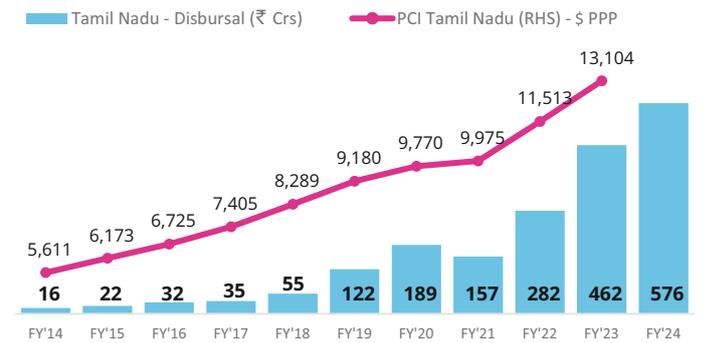
## HomeFirst AUM trend since FY14 >>



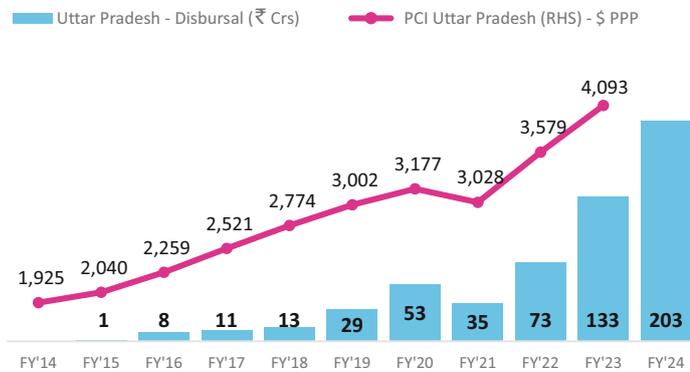
### Exhibit: Gujarat Disbursements vis-à-vis Per Capita Income Trend >>



### Exhibit: Tamil Nadu Disbursements vis-à-vis Per Capita Income Trend >>



### Exhibit: Uttar Pradesh Disbursements vis-à-vis Per Capita Income Trend >>



Source: MOSPI

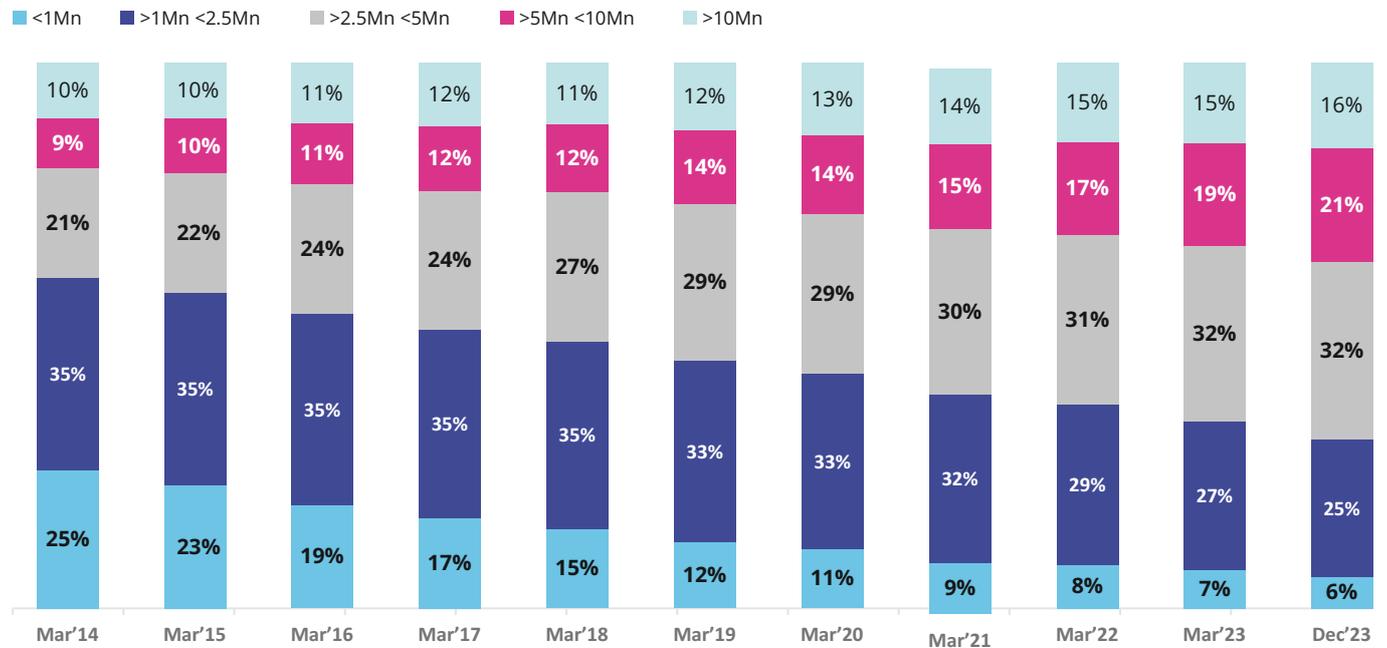
## Banks focus on large ticket size, less intensive operationally & with cross-sell potential

In this section, we try to highlight a question that we get from investors i.e. **competition from banks**. Affordable Housing remains a focused segment with high operational intensity and companies with mono-product focus can deliver better outcomes in the long run. To support the argument, we retrieve data from RBI's repository on ticket-size wise housing finance by banks. It is observed that banks are focused on high ticket size loans which is evident from the rising share of higher than ₹ 25 Lakh ticket size loans and vice versa. These large ticket size customers also provide huge cross-sell opportunity to generate other income for the banks. This creates a huge opportunity for non-bank players focusing on less than ₹ 25 Lakh ticket size.

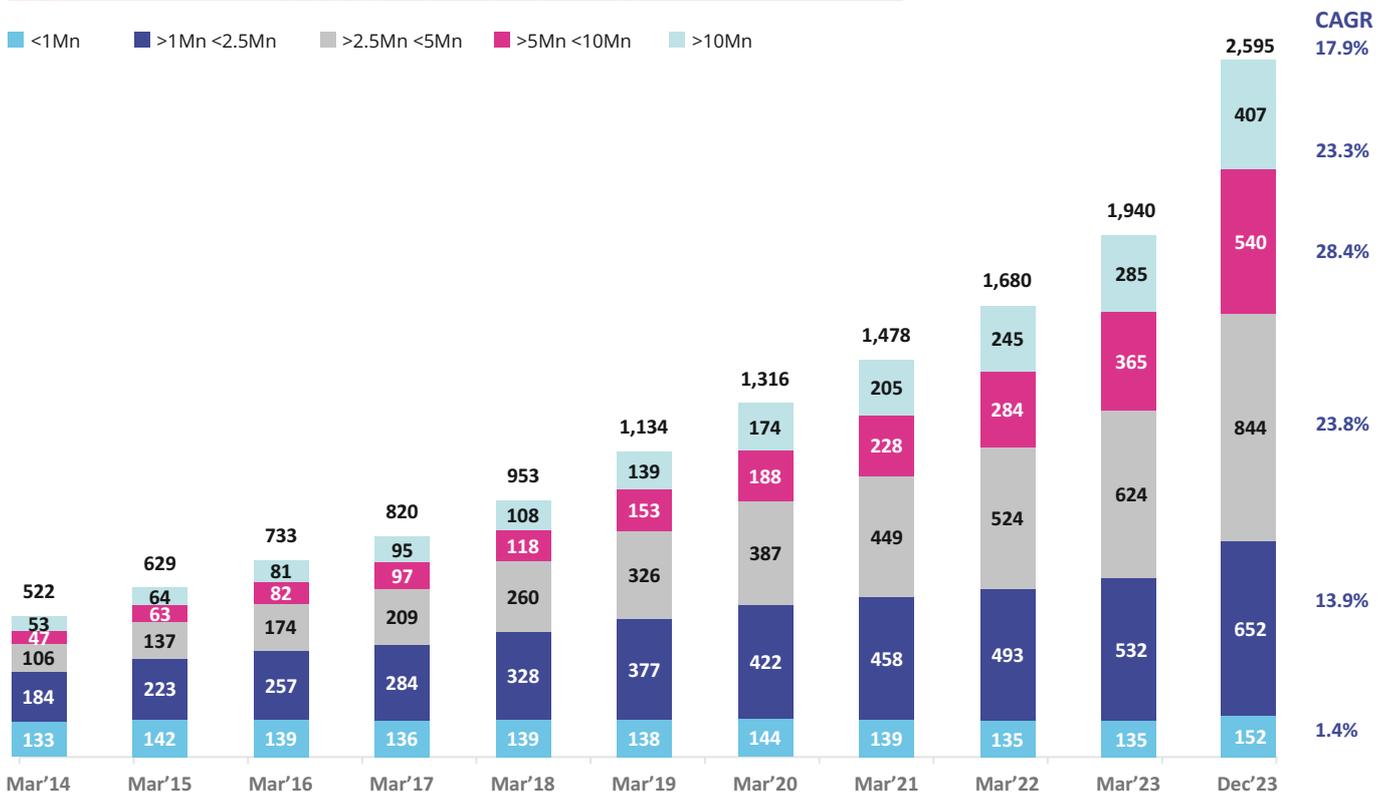
# Management Discussion and Analysis

HomeFirst is focused on this segment and adds value to customers who are not being addressed by banks.

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



## Banking Sector's Outstanding Housing AUM in various ticket size (₹ '000 Crs)



Source: RBI (Note that HDFC Limited merged with HDFC Bank Limited w.e.f 1st July 2023. The increase from Sept-23 takes in to effect the merger number)

# Management Discussion and Analysis

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## **Amidst regulatory tightening, secured products like Housing Finance are a preferred segment**

RBI's sharp focus on strengthening the regulatory framework covering both Banks as well as NBFCs/HFCs augers well for the financial sector. RBI Governor mentioned that financial stability "is a public good" that RBI has achieved with great efforts, and it intends to preserve and strengthen the same.

Consequently, Compliance is taking the center-stage with 4x increase in RBI penalties on regulated entities (FY20-23) as per a research report. After DHFL crisis, RBI has not only strengthened the regulations for NBFCs (through scale-based regulations), but has also improved its oversight of their business and processes to ensure compliance in letter and in-spirit.

Recent times has increased the risk of a potential credit event due to rise in non-mortgage household credit which rose to 8% as of March-2023 from 5.5% in March-2020 (Source: RBI). RBI has expressed discomfort on this number increasing. This poses the risk of over-leveraging and subsequent defaults in case of an economic downturn and RBI's recent actions are clear sign that the regulator wants to advocate disciplined growth in these segments.

More specifically for Housing Finance Companies, regulations extending to non-housing products will ensure increased prudence as well as stronger capital buffers as HFCs continues to play pivotal role in credit outreach and hence regulator's as well as government's focus and commitment reflects the same.

We believe that regulatory environment for Housing Finance Companies will continue to be supportive given the distinct Government thrust for the sector and role that it plays in nation building. HomeFirst is well placed to benefit from stronger operating environment in the future.

# Management Discussion and Analysis

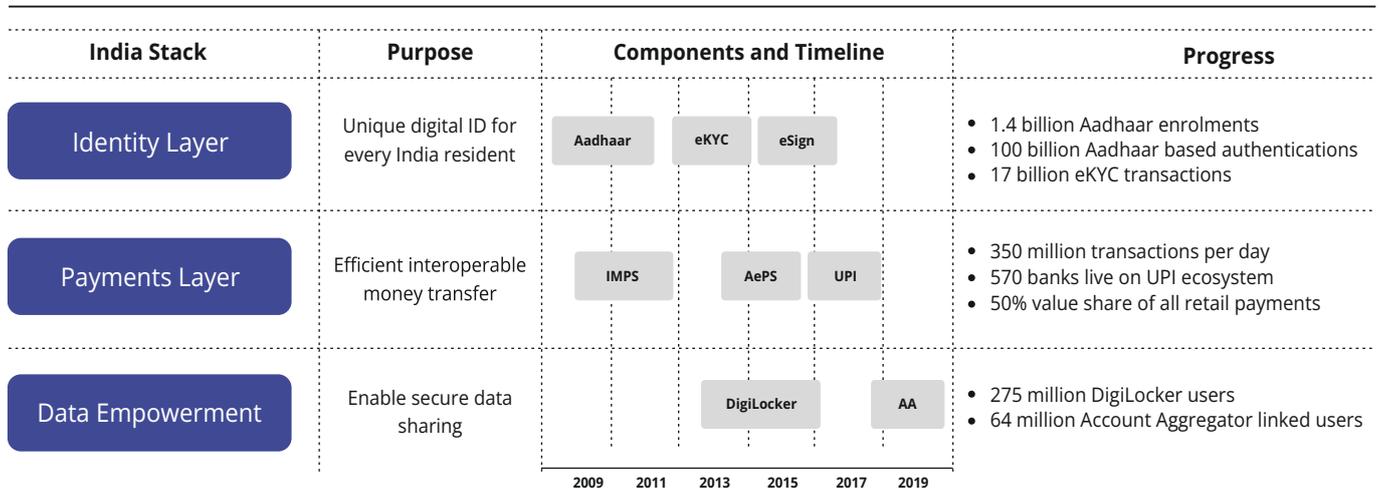
## Tech adoption - India is making irreversible & non-linear changes

**India is innovating a different growth model. A tech led model that is collaborative, equitable and democratizes opportunity at population scale i.e. IndiaStack which aims to drive efficiency & productivity gains and drive long term economy growth.**

HomeFirst's tech journey was supported by IndiaStack. IndiaStack has digitally transformed the Indian economy and we as first mover took advantage of it right from sourcing documents, collecting customer KYC documents, collecting bank statements, payment collections, etc. HomeFirst is now being admired\* for its tech prowess which has led us to industry leading Turnaround Time (TAT) of 48 hours. HomeFirst believes that Digitalisation of Indian economy has more legs to go and we will further improve the experience for our stakeholders.

*\*based on interaction with various stakeholders*

### Exhibit: The Components of Digital India layers



Source: [indiastack.org](http://indiastack.org), Macquarie Research, January 2024

Source: [indiastack.org](http://indiastack.org)

**HomeFirst has always benefited from new industry level tech initiatives to facilitate processes & improve productivity. In that regard, launch of UPI Ecosystem and Account Aggregator ecosystem has been very beneficial for HomeFirst.**

UPI continues to take market share in volume & value from other payment modes available. It grew by 56.6% on volume basis & 43.6% on value basis in FY24 over FY23. UPI mode of payment has facilitated HomeFirst's collection process at lower cost vs traditional methods. Account Aggregator ecosystem is also gaining acceptance as observed in the Accounts Linked and Consents Requests received. In Q4FY24, HomeFirst has processed 47% of applications via Account Aggregator and we expect this number to increase going forward.

Particulars	Volume (Mn)			Value (₹ Bn)		
	FY23	FY24	Var %	FY23	FY24	Var %
UPI	83,751	1,31,165	56.6%	1,39,207	1,99,867	43.6%
Other Modes	22,455	23,737	5.7%	1,83,160	1,98,709	8.5%
<b>Total</b>	<b>1,06,206</b>	<b>1,54,902</b>	<b>45.9%</b>	<b>3,22,367</b>	<b>3,98,576</b>	<b>23.6%</b>
<b>Share</b>						
UPI	78.9%	84.7%	+582bps	43.2%	50.1%	+696bps
Other Modes	21.1%	15.3%	-582bps	56.8%	49.9%	-696bps
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

Source: NPCI

In summary, this combination of collaborative innovation and robust regulatory push will continue to drive growth and cutting-edge innovation for digital payments and place India in an advantageous position and HomeFirst will be amongst the first to implement any such initiative to improve productivity in its processes.



# Management Discussion and Analysis

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## Conclusion

We believe that there are various factors at play for the growth of the housing sector and its finance through mortgage. India will have highest GDP growth amongst large nations and this is expected to sustain from structurally strong policy reforms. Globally, Per Capita Income growth has led to higher mortgage penetration and India will witness the same over the next few decades.

As per credit bureau, there is demand of 2mn+ units in a year for housing finance & ticket size between ₹ 5-25 Lakhs. Assuming ₹ 11.3 Lakh (with inflation of 5% p.a) as average ticket size, there is an opportunity for housing finance of \$ 355 Bn over next 10 years for our target customer segment. As per credit bureau, the overall affordable housing outstanding credit grew at mid-teen CAGR over the past decade and expected to grow in similar range over the next decade.

HomeFirst is rightly placed to benefit from the many drivers and we are working on our mission of being the Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency.

# Management Discussion and Analysis

## Our Performance Overview

During FY24, HomeFirst continued scaling up and maintained its growth momentum with an increase of 34.7% in AUM over FY23. Further, we registered a growth of 31.5% y-o-y in annual disbursements. This growth stemmed from targeted distribution in key markets, robust liquidity, effective risk management practices, and enhanced technological integration throughout the processes. This focus has translated into a best-in-class return on assets of 3.8% (Mar'23: 3.9%) and a return on equity of 15.5% (Mar'23:13.5%). Gross Stage 3 (GNPA) stands at 1.7% vs 1.6% in Mar'23. Net profit grew by 33.9% to ₹ 306 Crs.

Let us examine the building blocks of our growth story for the fiscal year ending 2024.

### Assets Under Management

Our AUM increased from ₹ 7,198 Crs as of Mar'23 to ₹ 9,698 Crs as of Mar'24 - a y-o-y growth of 34.7%. This shows our ability to meet customers' demands and improve our market share across our focus markets.

We are dedicated to expanding our presence across India and minimising concentration risk. We started with a presence in 119 districts at the beginning of the year and have grown our reach to 131 districts at the end of the fiscal year 2024. Our core states remain Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana, and Karnataka. These 6 states comprise ~60% of the total affordable housing finance market in the country. HomeFirst has shown growth in these states over the years (see table below). Our contiguous expansion in these markets is facilitating us to reach our long-term target of 10% market share in each of these markets. As highlighted in MD&A Macro section, we are also increasing our footprint in the emerging states of Uttar Pradesh, Madhya Pradesh, and Rajasthan which we believe could emerge as growth drivers for the company.

AUM in States (₹ Crs)	FY17	FY20	FY24	CAGR (FY17-FY24)
Gujarat	280	1,438	3,028	41%
Maharashtra	310	785	1,291	23%
Tamil Nadu	80	360	1,355	50%
Telangana	9	176	861	92%
Andhra Pradesh*	-	47	470	77%
Karnataka	76	325	662	36%
Madhya Pradesh	13	141	602	74%
Uttar Pradesh & Uttarakhand	19	96	588	64%
Rajasthan	25	179	576	56%

\*CAGR for Andhra Pradesh is from FY20 - FY24

### Assets Under Management (₹ Crs) >>



# Management Discussion and Analysis

## Geographic Presence

At the end of the financial year, our presence was established across 131 districts with 133 branches and 321 touchpoints across 13 states/UT.

The Top 200 districts comprise 82% of the total affordable housing finance market in India (ticket size ₹5L-25L). HomeFirst is present in 98 of these 200 districts. Our current strategy is to increase our presence to 500 touchpoints in the next 3 years while expanding ~20 branches annually. Our expansion strategy focuses on presence in large affordable housing markets across tiers. The distribution is granular and branches / touchpoint expansion is done in a calibrated manner - ensuring market share growth as well as asset quality, productivity and optimized operating costs. Our strategy of contiguous expansion across regions has been based on evaluating areas

with high economic growth and substantial demand for affordable housing finance, as well as industry portfolio-at-risk and socio-economic risk profiles.

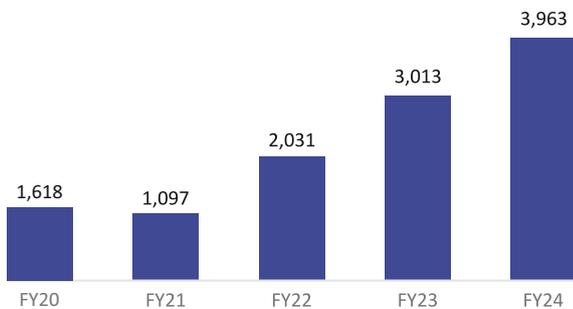
For our presence across India, please refer to Geographic Presence on pg no 11.

## Disbursements

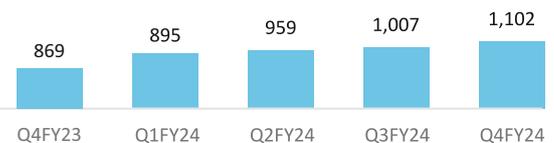
The Company disbursed ₹3,963 Crs in FY24 as compared to ₹3,013 Crs in FY23, registering a growth of 31.5%. HomeFirst has consistently witnessed a rise in the monthly disbursements, accompanied by an expanding borrower base and a healthy loan portfolio. This achievement is attributable to our well-planned branch network expansion, the launch of innovative financial products, and the implementation of state-of-the-art technology to optimize operations and enhance customer satisfaction.

## Disbursement (₹ Crs) >>

Last 5 Years



Last 5 Quarters



## Product Metrics

We continue to focus on all profiles of customers across the home loan journey through a range of products. We have a deep and wide presence in the heart of affordable housing finance segment aka Self-construction, we also continue to expand our builder

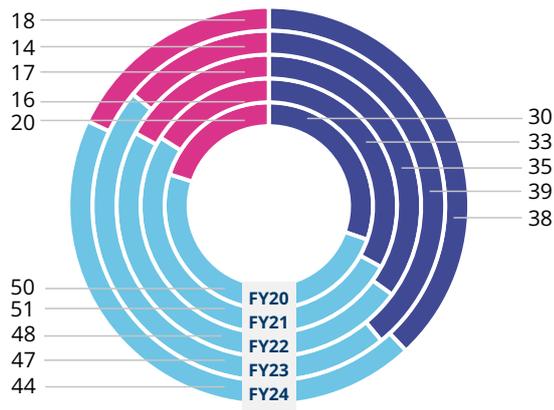
led individual home loans as well as home resale. We continue to carefully monitor our risk profile and continue to have low under-construction property exposure. Our to date LTV at the time of Origination stands at 55.6%.

# Management Discussion and Analysis

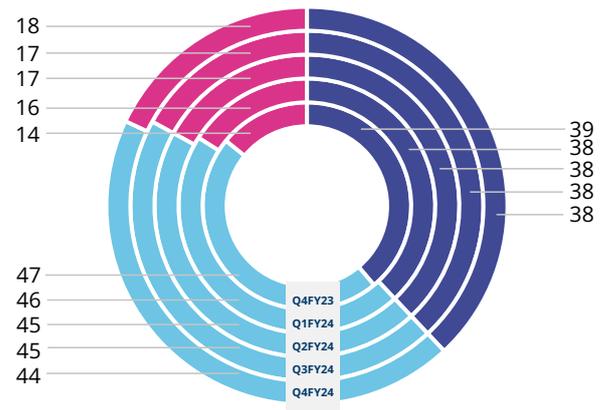
## Loan to Value (LTV) - Based on AUM (in %) >>

■ < 50% ■ 50-80% ■ > 80%

Last 5 Years



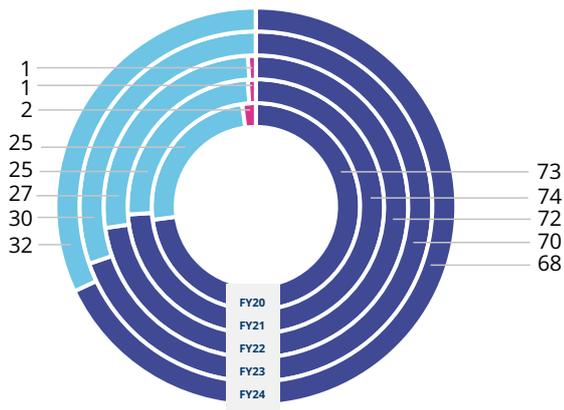
Last 5 Quarters



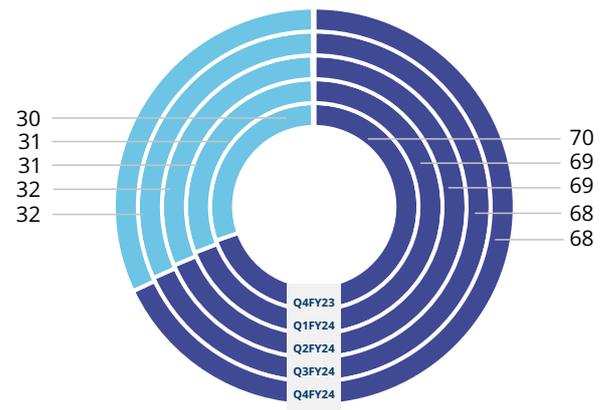
## AUM by Occupation (in %) >>

■ Salaried ■ Self Employed ■ Corporate

Last 5 Years



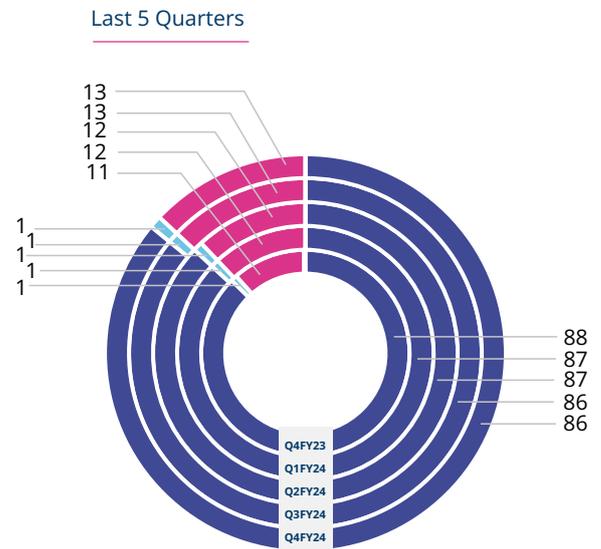
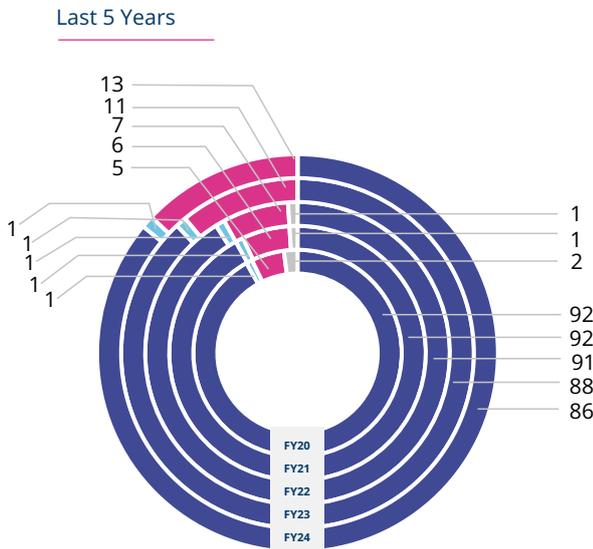
Last 5 Quarters



# Management Discussion and Analysis

## AUM by Occupation (in %) >>

- Housing Loan
- Loans for Purchase of Commercial Property
- Loans Against Property
- Developer Finance



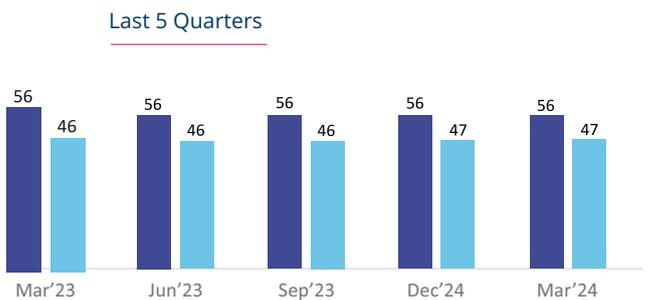
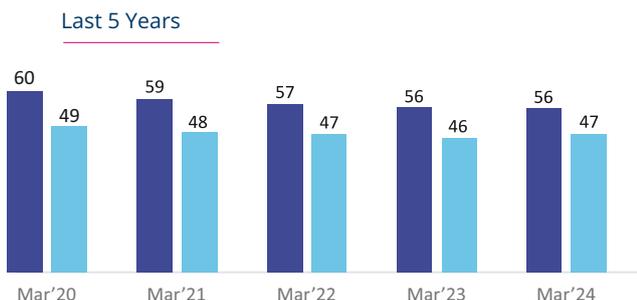
## AUM by Credit History (in %) >>

- New to Credit History
- With Credit History



## Loan to Value (in %) >>

- Loan to Value (LTV) based on Origination
- Loan to Value (LTV) based on Live Book



# Management Discussion and Analysis

## Credit Underwriting Process

We have a data science-backed centralised underwriting with an in-depth understanding of local property markets. We have set up a robust credit approval process comprising the following stages:

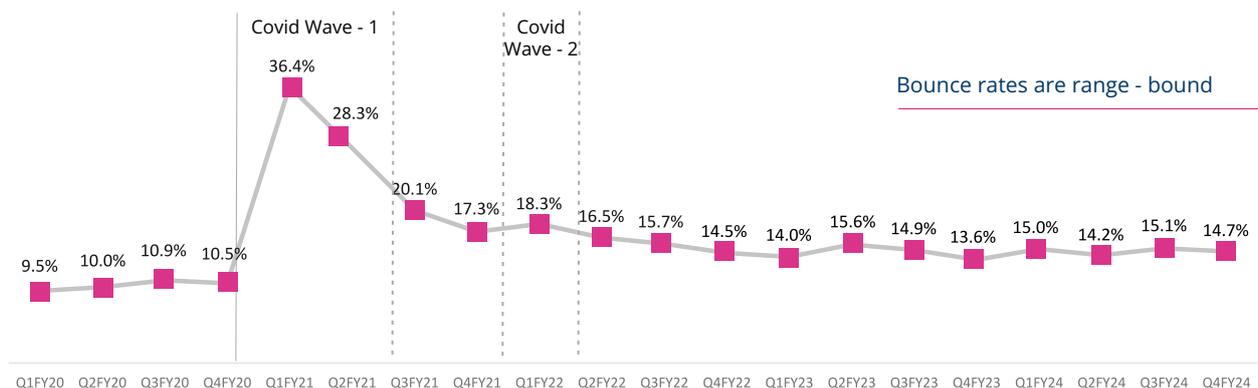
### Data Science Backed Centralised Credit Approval & Disbursement Process

<b>Initial Screening and Pre-Sanction Check</b>	<ul style="list-style-type: none"> <li>- Sourcing partners on-boarded after detailed due-diligence.</li> <li>- Digital validation of leads through third-party databases for KYC. Filtering out low credit bureau score customers.</li> <li>- Extensive workspace, property &amp; residence verification with photo &amp; video uploaded on cloud.</li> </ul>
<b>Customer Credit Underwriting</b>	<ul style="list-style-type: none"> <li>- Data science based centralised underwriting.</li> <li>- Integrated CRM &amp; Loan Management System on cloud-based platform.</li> <li>- API integration with third party independent sources and usage of account aggregator to help in triangulation of income and proofs submitted during verification and validation done from a single dashboard.</li> <li>- Proprietary Machine learning &amp; customer scoring models used for credit decision.</li> </ul>
<b>Property Underwriting &amp; disbursement process</b>	<ul style="list-style-type: none"> <li>- In-depth understanding of operating geographies and property types.</li> <li>- Legal and technical assessment through third party vendors &amp; internal team.</li> <li>- Proprietary ML backed property price predictor &amp; geo-tagging of all properties.</li> </ul>
<b>Loan Collection and Monitoring</b>	<ul style="list-style-type: none"> <li>- No separate collection team. Same RM responsible for collection, acts as positive feedback loop.</li> <li>- Focus on early delinquencies via bounce prediction model. Automated calling &amp; SMS reminders about dues.</li> <li>- Tracking installment collection status on real time basis.</li> <li>- Payment via Card, UPI, Net banking channels using the Customer App.</li> </ul>

## Asset Quality: Healthy Leading Indicators

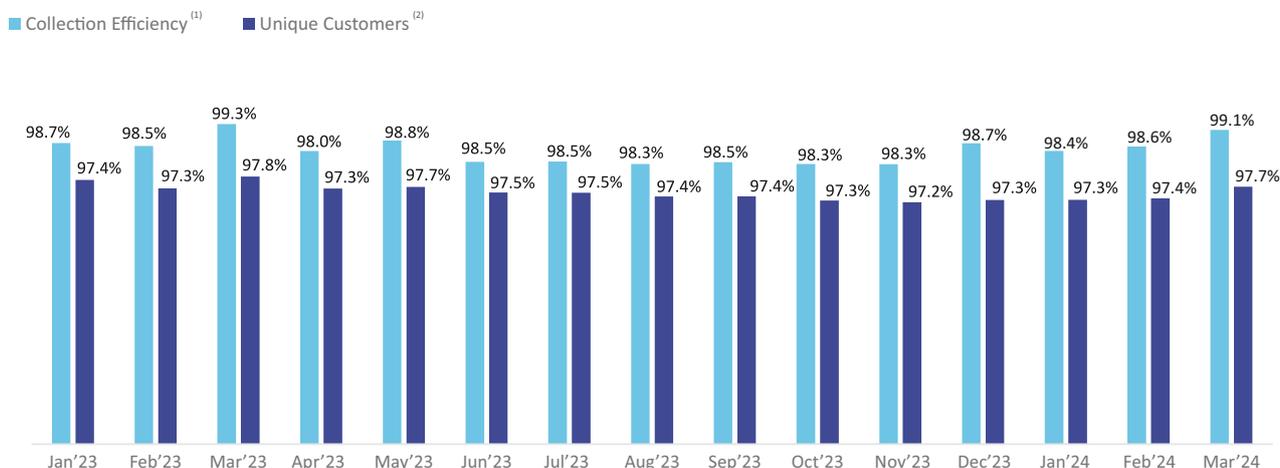
Bounce rates are range-bound and are currently around 15%. Bounce rates continue to be aligned with the movements in overall industry level bounce rates validated periodically with the NPCI data. Our focus on containing early delinquencies as a collection strategy continues to be fundamental to drive robust asset quality.

### Bounce rate: On the day of EMI presentation >>



# Management Discussion and Analysis

## Collection Efficiency >>



(1) Collection Efficiency=Total #of EMIs received in the month (including arrears of previous months)/Total #of loan accounts whose EMIs are due in the month  
(2) Unique customers=#of customers who made at least one payment in the month/Total #of Customers whose EMIs' are due in the month

We continued our relentless focus on early bucket collections. Also, we have provided the feature to our customers to make the payments via the app as well as through remote payment links. This has made the process of making payments much easier for our customers and is reflected in the strength of our collection. Our GNPA % at 1.7% in Mar'24 is stable. Our Stage-3 Provision Coverage Ratio stands at 50.9% (75.7% pre-RBI circular) as on Mar'24 compared to 59.5% (104.8 % pre-RBI circular) as on Mar'23.

## Gross Stage 3/POS (GNPA) % >>

■ Re-classification due to RBI circular

### Last 5 Years



### Last 5 Quarters



# Management Discussion and Analysis

## Our Financial Performance:

Particulars (₹ Crs)	FY24	FY23	YoY%
Interest Income on term loans	969.61	682.50	42.1%
Net gain on DA	63.11	38.04	65.9%
Non-interest income	123.82	75.06	65.0%
<b>Total Income</b>	<b>1,156.54</b>	<b>795.60</b>	<b>45.4%</b>
Interest on borrowings and commercial papers	498.66	303.26	64.4%
<b>Net Interest Income</b>	<b>470.95</b>	<b>379.24</b>	<b>24.2%</b>
<b>Net Total Income</b>	<b>657.88</b>	<b>492.34</b>	<b>33.6%</b>
Operating Expenses	232.49	175.60	32.4%
Credit Cost	25.43	21.52	18.2%
<b>Profit before tax</b>	<b>399.96</b>	<b>295.22</b>	<b>35.5%</b>
Tax expense	94.24	66.93	40.8%
<b>Profit after tax</b>	<b>305.72</b>	<b>228.29</b>	<b>33.9%</b>
<b>Basic EPS</b>	<b>34.65</b>	<b>26.01</b>	
<b>Diluted EPS</b>	<b>33.67</b>	<b>25.20</b>	

## Key Financial Ratios

Particulars (₹ Crs)	FY24	FY23	Variance
Profit after tax on average total assets (ROA)	3.8%	3.9%	- 10 bps
Leverage (Average total assets/average Equity or average Net-worth)	4.1	3.5	
Profit after tax on average equity or average Net-worth (ROE)	15.5%	13.5%	+200 bps
Cost to Income Ratio (Operating Expenses / Net Total Income)	35.3%	35.7%	- 40 bps
Operating Expenses / Average total assets	2.9%	3.0%	
Average Debt to average equity ratio	3.1	2.4	



# Management Discussion and Analysis

## Resource Mobilisation

### Shareholders' Funds

Our Shareholders' Funds as of Mar'24 stood at ₹ 2,121 Crs. The increase was primarily due to increase in retained earnings.

Particulars	₹ in Crs
<b>Opening Equity as on Mar'23</b>	<b>1,817.34</b>
Add: Shares issued during the year – represents increase on account of face value for the shares allotted pursuant to ESOPs exercised	0.10
Add: Increase in securities premium on account of premium received on allotment of shares	6.13
Add: Statutory Reserve transfer for the period	61.5
Add: Increase in retained earnings (net off transfer to statutory reserve)	221.63
Add: Option valuation linked credit	15.02
Add: Other Comprehensive Income	-0.23
<b>Closing Equity as on Mar'24</b>	<b>2,121.49</b>

### ESOP allotment

During FY24, the company issued and allotted 4,99,400 equity shares pursuant to the exercise of stock options by eligible employees of the company under ESOP plans. Further during the year, 8,51,882 ESOPs were granted to the employees under the HomeFirst ESOP Scheme 2021.

### Borrowings

As we increase the scale of our operations, we intend to diversify the sources of borrowings further across various pools of capital. Our performance will help us to improve our credit ratings and enable a reduction in our cost of borrowing.

The Borrowings of the company stood at ₹ 7,302.1 Crs as at Mar'24 as against ₹ 4,813.5 Crs as at Mar'23.

During the year, funding to the tune of ₹ 4,448 Crs was raised. The Company's approach to managing liabilities is characterized by prudent diversification across 31 lending partnerships, underpinned by a strategic focus

on securing long-term borrowing at competitive rates. During the year, we entered into relationships with 6 new lenders including distinguished institutions viz. Punjab National Bank, Indusind Bank, Bank of Baroda, UCO Bank, Punjab & Sind Bank & Bajaj Housing Finance Limited.

During FY24, the Company has not issued any Commercial Paper or any Short-Term Instrument. Accordingly, the Company's Commercial Paper outstanding was NIL as at Mar'24.

As at the end of Mar'24, we had a liquidity buffer of ₹ 2,054.8 Crs – comprising of unencumbered cash and cash equivalent of ₹1,156.0 Crs and ₹ 648.8 Crs of un-availed sanctions from the banks and ₹250.0 Crs of un-availed sanctions from NHB.

The Liquidity Coverage Ratio of the Company stood at 180% for the quarter ending Mar'24.



# Management Discussion and Analysis

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

## STRENGTHS:

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

## WEAKNESSES:

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

## OPPORTUNITIES:

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

## THREATS:

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

## Risk Management

Risk Management at Home First is a continuous and dynamic process which includes identifying, assessing, measuring, and recommending mitigation plans/techniques for known risks.

The primary objective of risk management is to help business teams make informed decisions and take proactive measures to manage and mitigate the risks effectively to ensure financial sustainability. This includes,

- (i) Ensuring regulatory compliance on risk management and prudential norms set by Regulators and by the Board.
- (ii) Identifying the areas of risks involved in the business and suggest the method to measure/quantify the risks.
- (iii) Evaluating current controls and suggest enhancements/risk mitigants, if required, for identified risks.
- (iv) Monitoring the Risk Appetite thresholds approved by the board for the key risks.
- (v) Envisaging emerging risk based on recent developments on the Regulatory and Economic front and evaluate the impact.

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

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

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

The various risks across Home First are monitored and reviewed through the Management Level Committees and the Risk Management Committee (RMC). The RMC is a board level committee which meets regularly.

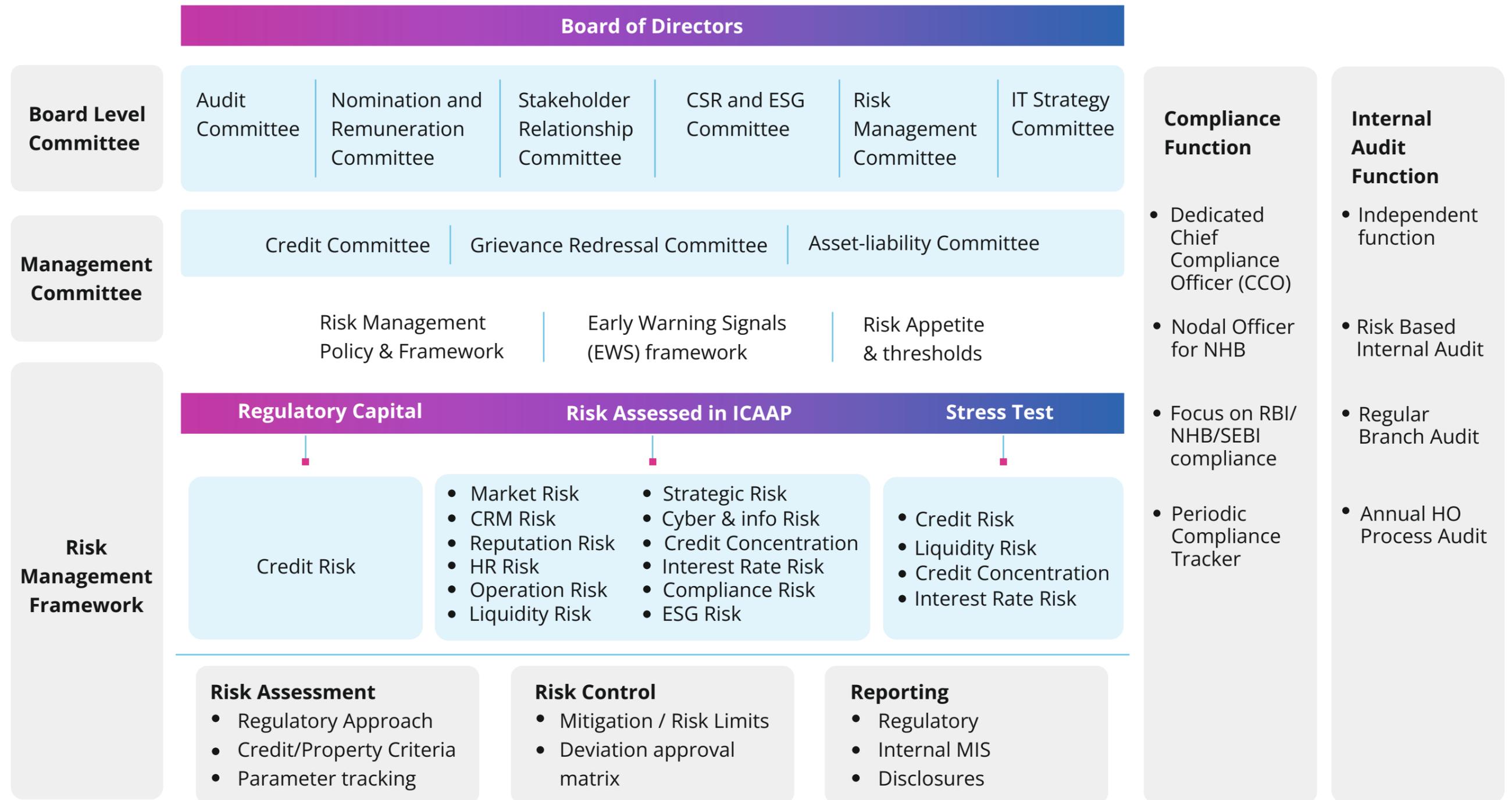
## Corporate Governance Structure

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

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

# Management Discussion and Analysis

## Corporate Governance Structure



# Management Discussion and Analysis

## Risk Management Framework

The Risk Management Committee reviews all the risks and policies at timely intervals to ensure they are in line with the growth of the Company. Further, the Board also monitors the risks and their mitigants through its sub-committees like ALCO, Risk Management Committee, and IT Strategy Committee. The Audit Committee observes how the management oversees compliance with the risk management policies and procedures. It also reviews the adequacy of the risk management framework concerning the risks faced by the Company from time to time.

## Risk Appetite (RA)

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

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

The board-approved risk appetite thresholds are tracked by the Risk Management team and quarterly reported to the Risk Management Committee of the Board.

## Early Warning Signals (EWS)

To identify potential NPAs/fraudulent accounts at a nascent stage, the company has developed the EWS framework. The framework evaluates and categorises the loans based on various parameters such as borrowers' basic information, bureau, loan type, product type, characteristics of collateral and customers' behavioural information.

## Internal Capital Adequacy Assessment Process (ICAAP)

As per the RBI notification, Home First Finance Company India Limited is categorized in the 'Middle Layer' and hence the company is required to have an Internal Capital Adequacy Assessment Process (ICAAP).

Accordingly, Home First has designed its ICAAP Policy

and assessed applicable risks in ICAAP, as per internal methodology, which is proportionate to the scale and complexity of Home First's operations.

The objective of ICAAP is to assess the Capital required to support material risks in the business and use better risk management techniques for monitoring and managing the risks. Material risks are those risks that have the potential to have a significant impact on Home First's business performance.

## ICAAP document is a forward-looking document that incorporates key business aspects, such as

- 1) Risks that are not captured/factored in the capital adequacy prescribed by the Regulator,
- 2) Risk appetite and sensitivity/scenarios analysis and
- 3) Projected financials including capital position after considering critical business and macro-economic success factors

Home First's senior management team consisting of the MD & CEO, CFO, CBO, CHRO & CRO reviews the capital requirements and draws up appropriate plans to ensure that it maintains adequate capital.

Though the submission of the ICAAP document to the regulator is an annual exercise, the process is a continuous one which requires constant monitoring and calibration of ICAAP outcome in light of new regulatory directives and market developments.

The outcome of ICAAP is presented to the RMC before being put up to the Board for their approval. Post its approval by the Board, the ICAAP document is submitted to the regulator. The document is subject to independent review through an internal audit process. Last year the review was conducted by an independent third party.

## Stress Test

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

# Management Discussion and Analysis

## Risk & Crisis Management

Crisis management is the process of preparing for adverse events, minimizing their impact, and getting back on track as quickly as possible. It tests the agility of an organisation to respond to critical events, such as threats, or negative disruptions that could impact an organization's business process.

Crisis-like situations immediately impact business operations and in the medium to long run, they impact a company's business strategy and reputation.

### At Home First, we prepare for such crisis,

At the Operational level

- Annual IT risk assessment and Regular IS Audit by an independent CERT-In empanelled auditor provides insight into the effectiveness of controls that are in place to ensure confidentiality, integrity and availability of Home First's IT infrastructure.
- IS Audit - vulnerability assessment of various aspects of IT framework which includes, Governance, Information Security, Cyber Security, Business Continuity Plan (BCP) and 3rd party support.
- Business Continuity Plan and Disaster recovery policy and pre-decided Recovery Time Objective (RTO) and Recovery Point Objective (RPO).

At the Business Strategy level

- Keeping a close eye on the domestic and global macro environment.
- Tracking new Regulatory directives/changes, and evaluating their impact on Home First's business and aligning action plan.
- Following customers/product behaviours and trends, in terms of their performance.
- Competitive analysis with Peers - Product, Customer Segment, Financial and Technological, as per data availability.

At the Reputation Management level

- Support from a professional Public Relations Team.
- Monitoring print and social listening tool.
- Zero tolerance culture with respect to key aspects such as:
  - Sexual Harassment & Discrimination at Workplace
  - Compliance
- Grievance Redressal framework with Escalation matrix.
- Monitoring key risk parameters and identifying emerging risks.
- Board-level Stakeholder Relationship Committee.

Type of Risk	Description	Mitigation Measures
<b>Credit Risk</b>	The possibility of losses associated with a decrease in the credit quality of borrowers or counterparties. In a credit portfolio, losses stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments about lending, trading, settlement and other financial transactions.	<p>The Company has a <b>Board approved Credit Policy</b> in place which is prepared post considering inputs from Senior Management. This policy entails a set of credit procedures and guidelines for effective credit risk management and to ensure a healthy portfolio.</p> <ul style="list-style-type: none"> <li>• The <b>Credit Committee</b> reviews adherence to the policy and the credit portfolio performance metrics on a quarterly basis. This is presented to the Audit Committee of the Board and their inputs are also taken on record.</li> <li>• The credit policy is reviewed annually and amended periodically to ensure compliance with the guidelines of RBI, NHB as well as</li> </ul>

# Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
		<p>other regulatory bodies. The inputs received from the credit committee and audit committee are considered while reviewing and renewing the policy.</p> <p><b>Robust Processes</b></p> <ul style="list-style-type: none"> <li>● <b>Credit Approval</b> - Verification of information through independent third-party/ applications (to understand financial discipline and other credit risk dimensions).</li> <li>● <b>Property Assessment</b> - Support from Technical and Legal Expert to evaluate ownership rights on property.</li> <li>● <b>Centralized approval</b> and risk-based pricing.</li> <li>● <b>Exposure limits on groups / sub groups</b>, builder, Product &amp; Property type.</li> <li>● Refining sourcing strategy based on portfolio performance and business opportunities.</li> <li>● Continuous <b>training</b> to existing credit officers and new recruits – who form the first line of defence for the company.</li> <li>● <b>Regular internal audits</b> and reviews by the Audit Committee ensure that the credit policy is implemented effectively.</li> </ul>
<p><b>Market Risk</b></p>	<p>Risk of loss arising from movements in market prices or rates away from the rates or prices set out in a transaction or agreement.</p> <p>Considering the nature and scope of business, Home First's primary objective of investments is liquidity management, through investments in liquid mutual funds, debt mutual funds, NCDs, CD/CPs, and fixed deposits with high-quality instruments.</p>	<ul style="list-style-type: none"> <li>● The Investment process is guided by a detailed <b>investment policy</b>. Investments of temporary surplus funds are done as per the policy principle which provides for strict controls in terms of tenure, product, rating, limits and authorization.</li> <li>● Regular assessment of all investments along with underlying portfolios is carried out and the investments are <b>reported to ALCO every quarter</b>.</li> </ul>

# Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
<b>Operational Risk</b>	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	<ul style="list-style-type: none"> <li>● The Board approved <b>Operational risk management policy</b> enlists the processes and controls for monitoring people, systems and processes at various points of time.</li> <li>● We have a <b>comprehensive system of internal controls, systems and procedures to monitor transactions, employee rotations, contingency planning, insurance cover, document storage and retrieval arrangements as well as maintenance of backup</b> procedures to minimize operational risks.</li> <li>● In addition, we have appointed <b>independent audit firms</b> to conduct internal and process audits at all of our offices to assess the adequacy of and compliance with our internal controls, procedures and processes, as well as all applicable statutory and regulatory guidelines.</li> <li>● Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed in the <b>Audit Committee meetings</b>.</li> </ul>
<b>Liquidity Risk &amp; Interest Rate Risk</b>	Liquidity risk is the inability of a financial institution to meet its obligations as they become due, without adversely affecting its financial condition.	<ul style="list-style-type: none"> <li>● To manage the liquidity risk, we have a comprehensive <b>Asset Liability Management Policy</b> in place. The Policy provides for several risk management measures including short-term liquidity forecasts which are done to identify any short-term liquidity gaps and implement immediate actions to correct such gaps, diversifying our sources of funding to facilitate flexibility in meeting our funding requirements, and maintaining strong capital adequacy.</li> <li>● The Company has adopted the <b>stock approach to measure liquidity buffers</b> along with quarterly reporting of critical</li> </ul>

# Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
		<p>ratios and threshold levels to ensure adequate liquidity planning. We have positive ALM flows across all buckets in line with prudent ALM practices.</p> <ul style="list-style-type: none"> <li>● <b>Effective simulation method</b> is also adopted to periodically <b>stress test bucket-wise flows</b> and <b>changes in the Net Interest Income (NII)</b> or Net Interest Margin (NIM) <b>due to interest rate move-ments.</b></li> <li>● Quarterly <b>monitoring of liquidity ratios</b> including <b>Liquidity Coverage Ratio (LCR).</b></li> <li>● Further, to strengthen internal controls, an <b>audit process</b> is in place to ensure implementation of the above-mentioned measures and is carried out effectively.</li> </ul>
<b>Compliance &amp; Regulatory Risk</b>	<p>The risk of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and applicable codes of conduct.</p>	<ul style="list-style-type: none"> <li>● The Company has a robust framework, monitored by the <b>senior management team</b> to mitigate compliance and regulatory risk.</li> <li>● Monitoring through <b>compliance tracker and reporting timelines.</b></li> <li>● <b>Coordination and clear communication</b> amongst departments in case of <b>inter-dependencies.</b></li> <li>● The <b>amendments</b> by any of the regulators are <b>monitored closely.</b></li> <li>● Further internal audit process assists in complying with all the existing laws and regulations.</li> </ul>
<b>Reputation Risk</b>	<p>Reputational risk can be defined as the risk arising from negative perception on the part of customers, counterparties, share-holders, investors, debt-holders, market analysts, other relevant parties or regulators that can adversely affect an entity's ability to maintain existing,</p>	<ul style="list-style-type: none"> <li>● HomeFirst has <b>robust Governance framework</b> as per applicable Regulations.</li> <li>● <b>Tracking Reputation risk related parameters</b>, including Digital &amp; Social Media Monitoring.</li> <li>● Enhance compliance culture through <b>training and awareness workshops.</b></li> </ul>

# Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
	<p>or establish new, business relationships and continued access to sources of funding.</p>	<ul style="list-style-type: none"> <li>● <b>Customer grievance redressal</b> policy with robust redressal mechanism.</li> <li>● <b>Communication with stakeholders</b> through appropriate mechanisms to address their expectations and concerns.</li> <li>● Dedicated <b>investor relations team</b> and adherence to <b>Regulatory disclosures</b>.</li> </ul>
<p><b>Information Technology Risk, Cyber Security Risk and Information Security Risk</b></p>	<p><b>Information technology risk</b> is the risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure.</p> <p><b>Cyber Security Risk</b> means the risk of cyber-attacks on Home First's systems through hacking, phishing, ransomware and other means, resulting in disruption of our services or theft or leak of sensitive internal data or customer information.</p> <p><b>Information Security</b> refers to protecting sensitive information and ensuring the use of information only by legitimate users with proper authorisation. The Risk of information getting compromised or being accessed without proper authorisation exposes the organisation to Information Security Risk.</p>	<ul style="list-style-type: none"> <li>● HomeFirst has an <b>IT Policy</b> prepared as per NHB and RBI guidelines, which sets out processes and controls that are required to be maintained in relation to the IT systems. The IT Policy is amended regularly.</li> <li>● Further we have an <b>IT Strategy Committee</b> of the Board. The main responsibility of this Committee is to assess the IT systems of the Company and gauge the vulnerability of the system to various risks and its mitigants.</li> <li>● The Company has <b>adequate codes/policies</b> to ensure that there is no breach in the privacy of the information of the customers.</li> <li>● <b>End Point security</b> software and Antivirus software in all laptops.</li> <li>● Robust <b>access-control and log tracking for server security</b>.</li> <li>● To ensure IT security, performance stability and flexibility, HomeFirst has a <b>well-established IT infrastructure</b> in place. The loan processing applications of the company are built on Salesforce.com which is a globally recognized platform with low downtime and low security risk.</li> <li>● Further, we conduct <b>IT audit</b> once every two years to determine issues and process level gaps, if any.</li> <li>● <b>Training</b> is provided to existing and new employees on IT policies, procedures and code of conduct.</li> </ul>

# Management Discussion and Analysis

Type of Risk	Description	Mitigation Measures
<b>Environment Social &amp; Governance related risk</b>	The risk related to environmental, social and governance-related that may impact an entity in terms of its sustainability and may expose it to non-financial risk.	<ul style="list-style-type: none"> <li>● HomeFirst understands the growing importance of ESG and has adopted a Board approved <b>ESG Policy</b>.</li> <li>● An ESG Execution Team with management team participation has been created to ensure implementation of the ESG Policy.</li> <li>● Negative list/exclusion for restricting funding to inappropriate property /development locations which may either lead to loss of life and/or deterioration in the quality of life in nearby habitats.</li> </ul>

## Direct Assignment

During FY24, we received a purchase consideration of ₹414 Crs from direct assignment and the corresponding assets were de-recognized in the books of the company. As on Mar'24, the company has a Direct Assignment of ₹ 1,219.14 Crs in the total portfolio compared to ₹ 1,056.49 Crs as at Mar'23.

## Co-lending

We have existing co-lending relationships with Central Bank of India and Union Bank of India. During the fiscal year, we have executed transactions of an amount of

₹ 99.39 Crs with Union Bank and ₹ 114.29 Crs with Central Bank of India. We believe co-lending presents a unique opportunity through the combination of the banks' availability of low-cost funds, coupled with an NBFC's (including HFC's) ability to source retail customers efficiently as well as manage these customers, including collections. We plan to scale up the co-lending transactions in the medium term.

## Capital to Risk-Weighted Assets Ratios

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

	Mar'24	Mar'23
CRAR (%)	39.48%	49.38%
CRAR - Tier I capital (%)	39.08%	48.89%
CRAR - Tier II capital (%)	0.40%	0.49%

## Credit Ratings

During FY24, India Ratings & Research (Credit Rating Agency & a 100% owned subsidiary of the Fitch Group) has revised the Outlook on HomeFirst from "AA- Stable" to "AA- Positive".

# Management Discussion and Analysis

As at Mar'24, the following table sets forth our credit ratings:

Instrument	Rating Agency	Rating	Amount (in ₹ Crs)	Outlook
Term Loan	ICRA	AA-	4,500	Stable
	India Ratings	AA-	3,300	Positive
	CARE	AA-	514	Stable
Non-Convertible Debentures	ICRA	AA-	561	Stable
	India Ratings	AA-	400	Positive
Commercial Paper	ICRA	A1+	100	-
	India Ratings	A1+	100	-

The ratings validate the Company's healthy earnings profile, substantial capitalisation, robust net worth base and gradual improvement in its scale of operations.

## Human Resources

One of the most critical assets and foundations of our operations is human capital. We strive to create a conducive environment for the growth and development of our employees. Continuous training is provided to employees to uplift their skills and advance in their careers. We believe in empowering our employees through training, talent management and fast-tracking growth for high performers which helps in building a strong performance culture. Our culture is what sets us apart from the rest of the companies. More details on training, employee benefits, and employee engagement activities can be found in the Human Capital Chapter – refer pg no 60.

As of Mar'24, the employee strength stood at 1,249 as compared to 993 as on Mar'23.

## ESG

ESG is gaining wider traction the world over - sustainability in operations is becoming a prerequisite for functioning rather than a hygiene factor. HomeFirst has taken an early lead and has demonstrated transparency in its governance with adequate disclosures, green initiatives, and digitalization of processes. Pursuant to the adoption of such measures and creating a thriving and vibrant workplace environment, HomeFirst has been assigned an ESG Score of 34 by S&P Global. Morningstar's Sustainalytics continues to assign "Low Risk" rating on ESG Risk parameters with a score of 16.2, best amongst BFSI

peers. This validation by large agencies highlights HomeFirst's focus on sustainability & superior corporate governance. More details on ESG practices can be found in the Sustainability report starting from pg no 33.

## Internal Control Systems and Internal Audit

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

The Company has an adequate internal Control System to ensure adherence to the company's policies and procedures, compliance with applicable laws and regulations, to ensure that management information and financial reporting are correct, reliable, and complete, to enable the detection and prevention of fraud and errors and to safeguard the company assets against loss from unauthorised use or disposition, amongst others. Further, the internal control system is commensurate with the size of the business as well as the industry in which the Company operates. The framework endorses ethical values, good corporate governance, and risk management practices. The Company has appointed Internal Auditors to ensure

# Management Discussion and Analysis

compliance with the company's policies and procedures and compliance with applicable laws and regulations. The Audit Committee of the Board reviews the performance of the internal audit, the adequacy of the internal control systems and compliance with regulatory guidelines. The Audit Committee also provides necessary oversight, gives recommendations, and monitors the implementation of such recommendations.

## Outlook

"HomeFirst is poised to capitalise on the long-term potential in housing finance on the back of various macro drivers and our solid foundation. Our commitment to risk management and a strong balance sheet further enhances our position. Technology remains a key component of our strategy, enabling us to streamline operations, optimise expenses, and enhance customer service through an efficient business model. As we strive to establish a reputable brand in the housing finance industry, we remain dedicated to becoming the "Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency."

## Cautionary Statement

This document contains statements about expected future events, and financial and operating results of the Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements.

The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent developments.

# Directors' Report

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

Your Directors take pleasure in presenting the 15<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended on March 31, 2024 ("FY24").

## Company Overview:

Home First Finance Company India Limited ("HomeFirst"), a housing finance company ("HFC"), is a public limited company incorporated on February 3, 2010, under the Companies Act, 1956 and has its registered office at 511, Acme Plaza, Andheri East, Mumbai, Maharashtra, India- 400 059. The Company is registered as a non-deposit-taking HFC with the Reserve Bank of India ("RBI"). The Company has been listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") since Feb'21. The market capitalization as per NSE and BSE as on March 31, 2024 were ₹7,946.98 Crs and ₹7,947.87 Crs, respectively. In pursuance of Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions dated October 19, 2023, as amended from time to time, the Company has been classified in the 'Middle Layer'. The Company is also registered with Insurance Regulatory and Development Authority of India ("IRDAI") as a Corporate Agent w.e.f. Feb'24.

## FINANCIAL SUMMARY:

### State of Company's Affairs:

The Company remained focused on providing loans for affordable housing, led by the distribution and use of technology, backed by diversified funding and strong risk

management. Your Company has pan India distribution via 133 physical branches and 321 touchpoints led by strategic market selection and contiguous expansion.

As of FY24, your Company's efforts have yielded noteworthy results, with strong performance across all operating and financial parameters. The Company delivered Profit After Tax ("PAT") growth of 33.9% y-o-y, leading to a Return on Equity ("ROE") of 15.5% in a high interest rate environment. We believe the level of consistency and superior returns is a testimony to our strong risk management, use of the right technology and scalability of our differentiated business model.

In its 14-years journey, the Company has served 1,29,615 customers and collaborated with 31 lenders. During the year, your Company has raised ₹4,447.99 Crs through various modes. The Company is supported by a dedicated team of 1,249 employees to ensure sustainable growth while fulfilling our mission of making affordable housing a reality for all.

Your Company further believes that given the tailwinds in the housing sector supported by overall economic growth momentum and the strong execution mindset of the Company, we will continue to deliver excellent results to the aspiring home buyers with ease and transparency.

# Directors' Report

## Financial Results:

The key highlights of the Audited Financial Statements of your Company for FY24 and a comparison with the previous financial year ended on March 31, 2023 ("FY23") is summarized below:

(Amount in ₹Cr)

Particulars	FY24	FY23
Total Income	1,156.55	795.60
Less: Total Expenses	756.59	500.38
<b>Profit/ (Loss) before tax</b>	<b>399.96</b>	<b>295.22</b>
Less: Current tax	94.46	71.45
Deferred tax	(0.22)	(4.52)
<b>Profit after Tax</b>	<b>305.72</b>	<b>228.29</b>
Other Comprehensive Income	(0.23)	(0.14)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(61.50)	(45.90)
<b>Balance carried to Balance Sheet</b>	<b>243.99</b>	<b>182.25</b>
Earnings per Share (Face Value ₹2)		
Basic (₹)	34.65	26.01
Diluted (₹)	33.67	25.20

## Dividend & Reserves:

The Board of Directors ("Board") recommended that a portion of the surplus be distributed as a dividend to shareholders for FY24. The Board has recommended an amount of ₹3.40/- per equity share, which is equivalent to 170% of the face value of the equity shares, subject to the approval of the members, to be paid out as dividend. The dividend payout ratio for FY24 shall be 10%. The dividend declared is in accordance with the Dividend Distribution policy adopted by the Company. The [Dividend Distribution Policy](#) is hosted on the website of the Company. The Company has not declared any interim dividend during the year.

During the year under review, pursuant to Section 29C of the National Housing Bank Act, 1987, the Company had transferred a sum of ₹61.50 Crs out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

## Unclaimed Dividend:

As on March 31, 2024, dividend amounting to ₹69,053/- relating to FY23 had not been claimed by Shareholders of the Company and the same has been transferred to Unclaimed Dividend Account of the Company. The Company has been following up with these Shareholders to claim their dividend. A list of all the shareholders who have not claimed their dividend is hosted on the website of the Company.

## Business Update:

'RESILIENCE' is at the core of the Company's DNA. HomeFirst has demonstrated the ability to adapt to a changing environment to enable it to deliver its objectives and prosper. Your Company has successfully navigated disruptions caused by geo political and other upheavals during the year. The Company has grown its Asset Under Management ("AUM") by 34.7% while providing loans to more than 29,000 customers during the year. ~88% of the borrowers in FY24 are women, while loans given to EWS / LIG borrowers account for 63%.



# Directors' Report

During the year under review, the Company has raised

- (i) ₹3,315.00 Crs borrowings from banks / finance companies (outstanding as on March 31, 2024: ₹5,454.93 Crs);
- (ii) ₹432.99 Crs raised by way of Direct Assignment & Co-lending;
- (iii) ₹700.00 Crs through re-finance from NHB (outstanding as on March 31, 2024: ₹1,569.64 Crs).

Note: The above numbers are calculated in accordance with the IND-AS.

There was no borrowing made through NCDs during the year under review (outstanding as on March 31, 2024: ₹280.00 Crs).

Further, the Liquidity Coverage Ratio ("LCR") for Q4FY24 was 180.33% as against the regulatory requirement of 60%.

## DEBENTURES:

As at the end of FY24, the Company has outstanding secured, unlisted NCDs amounting to ₹280 Crs. Further, during the financial year under review, the Company has redeemed its Series 1 and Series 2 Secured, Listed, Non-Convertible Debentures aggregate to amount of ₹70.00 Crs, in full,

## CREDIT RATING:

The Company's financial discipline and prudence is reflected in the credit ratings assigned by Credit Rating Agencies as under:

(Amount in ₹Crs)

Instrument	Rating Agency	Rating	Outlook	Amount
Term Loan	ICRA	AA-	Stable	4,500
	India Ratings	AA-	Positive	3,300
	CARE	AA-	Stable	514
Commercial Paper	ICRA	A1+	-	100
	India Ratings	A1+	-	100
Non-Convertible Debentures	ICRA	AA-	Stable	56
	India Ratings	AA-	Positive	400

## Migration of the Credit Rating of the Company:

During the FY24, India Ratings and Research Private Limited ("India Ratings") reaffirmed the rating i.e. IND AA - and has revised the outlook from stable to positive. The Company believes that this revision reflects the strengthening credit profile of the Company driven by an established and growing franchise in retail affordable housing space with a deepening geographical presence, well-diversified funding access, adequate liquidity, a sizable capital base, stable profitability buffers and adequate risk management processes.

resulting to delisting of Debentures from the recognized stock exchange. The NCDs were redeemed by your Company on their respective due dates and there were no instances of any NCDs which have not been claimed by the investor or not paid by the Company after the date on which the NCDs became due for redemption. The Company has complied with the provisions of Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Act.

## Disclosure as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021:

(i) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption: Nil.

(ii) The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption: Nil.

## Capital Adequacy Ratio:

The Company's capital adequacy ratio as of Mar'24 stands at 39.5% (Mar'23: 49.4%) (Tier I Capital Adequacy Ratio 39.1%), which is significantly higher than the minimum required level of 15% under the RBI Master Directions, indicating the Company's robust position.

# Directors' Report

## DEPOSITS:

Your Company being a non-deposit-taking Housing Finance Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the financial year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

## AWARDS & RECOGNITIONS:

No awards have been granted to the Company during FY24.

## CHANGE IN THE NATURE OF BUSINESS:

There has been no change in nature of business of the Company during the year under review.

## Alteration of Memorandum of Association:

During the year under review, the Company has altered its object clause in the Memorandum of Association through postal ballot in Dec'23 in order to enable the Company to cross-sell a broader range of insurance products such as life, health and general to its customers, in addition to the existing sale of group insurance products.

## Alteration of Articles of Association:

During the year under review, the Company has also altered its articles of association at its 14<sup>th</sup> AGM held on June 8, 2023 in order to bring the AOA in lines with the provision mentioned in Regulation 23(6) of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated February 2, 2023.

## DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES:

During the financial year under review, the Company did not have any Subsidiary, Associate or Joint venture Companies.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2024 AND DATE OF THIS REPORT:

No material changes and commitments, affecting the financial position of the Company have occurred between the Financial Year ended on March 31, 2024 and till the date of this Director's Report.

## SHARE CAPITAL:

### Authorized Share Capital:

During the financial year under review, there was no change in the Authorized Share Capital of the Company.

### Issued, Subscribed and Paid-up Share Capital:

During the financial year under review, the Company allotted 4,99,400 Equity Shares to employees on exercise of stock options granted under ESOP 2012 Scheme, ESOP II Scheme and ESOP 2021 Scheme. Pursuant to the aforesaid allotments of equity shares, the issued, subscribed and paid-up share capital of the Company stands increased to ₹17,70,32,334/- (8,85,16,167 Equity Shares of Face Value ₹ 2/- each).

## PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review, the Company has entered certain transactions/contract with related parties which were in ordinary course and at arm's length price. The details of transactions with related parties were placed before the Audit and Board at quarterly and annual intervals respectively. The Company has not entered into any material transactions with related parties during the year.

The Company has obtained Omnibus approval for the same from the Audit Committee, and the requirement of disclosure of Related Party Transactions in terms of Section 134(h) of the Act is provided in Form AOC-2 as **Annexure I**.

Further as required by Master Directions – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions ("**RPT Policy**") is annexed as **Annexure II** and the same can be accessed on the website of the Company at [RPT Policy](#).

# Directors' Report

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since your Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies

(Accounts) Rules, 2014 is not provided in this Board's Report. However, the Company has given the details of its initiative in relation to conservation of energy and technology absorption in BRSR provided in **Annexure VII**.

## Foreign Exchange Earnings and Outgo:

The Company has no foreign exchange earnings and has made expenditure in foreign currency as per the following table:

(Amount in ₹Cr)

Sr no	Particulars	FY24	FY23
1.	Software license	1.46	2.03
2.	Technology fee	-	0.46
3.	Bank charges - Finance	0.04	0.42
4.	NCD Listing Fees	-	0.21
5.	Recruitment expenses	0.03	-
6.	Interest expense on foreign currency borrowings	9.86	-
	<b>Total</b>	<b>11.39</b>	<b>3.12</b>

## ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Act, the copy of Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be placed on the website of the Company at [www.homefirstindia.com](http://www.homefirstindia.com).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company is a Housing Finance Company, the disclosure regarding particulars of loans given, guarantees given, security provided and investment made in the ordinary course of business is exempted under the provisions of Section 186(11) of the Act.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to its financial statements. During the financial year under review, such controls were tested and no reportable material weakness in the design or operation was observed. In the opinion of the Auditors of the Company, there are adequate internal financial control procedures that is commensurate with the size of the Company.

## MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company's inclusive and diverse Board works to safeguard the interests of all stakeholders. Further, in pursuance of Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board is appropriately constituted with an appropriate mix of Executive, Non-executive and Independent Directors.

There were total of 8 Directors in the Company as at Mar'24; viz. four (4) Independent Directors out of which two (2) are Women Independent Directors, three (3) Nominee Directors and 1 (one) Executive Director and CEO. The Chairman of the Board is an Independent Director.

# Directors' Report

Details of Board of Directors along with the Key Managerial Personnel as on Mar'24 is mentioned below:

Name	DIN/PAN	Designation
Mr. Deepak Satwalekar	00009627	Chairman and Independent Director
Ms. Geeta Dutta Goel	02277155	Independent Director
Mr. Anuj Srivastava	09369327	Independent Director
Ms. Sucharita Mukherjee	02569078	Independent Director
Mr. Divya Sehgal	01775308	Nominee, Non-Executive Director
Mr. Maninder Singh Juneja	02680016	Nominee, Non-Executive Director
Mr. Narendra Ostawal	06530414	Nominee, Non-Executive Director
Mr. Manoj Viswanathan	01741612	Managing Director and Chief Executive Officer
Ms. Nutan Gaba Patwari	AGSPG3187G	Chief Financial Officer
Mr. Shreyans Bachhawat	AJDPB9500E	Company Secretary and Compliance Officer

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act.

## Appointment / Resignation of Directors:

During FY24, there has been no change in the Board of Directors of the Company. However, Mr. Manoj Viswanathan (DIN: 01741612) was re-appointed as Managing Director and Chief Executive Officer for a period of 5 years w.e.f. August 1, 2023. Further, Board and Members of the Company have approved the continuation of Directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN:00009627) beyond the age of 75 years till the expiry of his current term.

## Appointment after the Financial Year:

Mr. Deepak Satwalekar (DIN: 00009627) was appointed as Chairman and Independent Director for a term of 5 years with effect from October 23, 2019 up to October 22, 2024. Consequent to his forthcoming expiration of first term, the Board at their meeting held on May 8, 2024 on the recommendation of the Nomination and Remuneration Committee, has considered his re-appointment and recommended to the shareholders for a second term of 5 years. A brief profile of Mr. Deepak Satwalekar is provided in the notice to the annual general meeting which forms part of the annual report.

## Key Managerial Personnel (KMP):

During the year under review, there was no change in the Key Managerial Personnel of the Company except re-appointment of Mr. Manoj Viswanathan (DIN: 01741612) as

Managing Director and Chief Executive Officer for a period of 5 years w.e.f. August 1, 2023.

In terms of the Act, the following are the KMPs of the Company as on March 31, 2024:

- Mr. Manoj Viswanathan – Managing Director and Chief Executive Officer.
- Ms. Nutan Gaba Patwari – Chief Financial Officer.
- Mr. Shreyans Bachhawat– Company Secretary and Compliance Officer.

## Declaration by Independent Directors:

There are four Independent Directors on the Board of the Company. The Independent Directors have submitted their Declaration of Independence in accordance with the provisions of Section 149(6) of the Act read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

The Board is of the opinion that the Independent Directors of the Company are eminent persons and possess requisite qualifications, integrity, expertise and experience (including the proficiency). As required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company

# Directors' Report

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have confirmed that they have registered their names with the data bank maintained by the Indian Institute of Corporate Affairs and they have either undertaken the online proficiency self-assessment test or are exempted therefrom.

## **Declaration of Fit & Proper Criteria:**

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the criteria prescribed by RBI and IRDAI.

## **Director(s) Retiring by Rotation:**

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, not less than one-third of the total number of retiring directors should retire by rotation, at every Annual General Meeting. For the purpose of this section, the total number of directors to retire by rotation shall not include Independent Directors.

In accordance with provisions Section 152 of the Act, Mr. Narendra Ostawal (DIN: 06530414), Nominee Director of the Company, being longest in the office, retires at the ensuing Annual General Meeting and is eligible for re-appointment. A brief profile of Mr. Narendra Ostawal is provided in the annual report.

## **Performance Evaluation of the Board, Committees and Individual Directors:**

The Company has defined a manner of evaluation as per the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and formulated a method for the evaluation of the performance of the Board, Committees of Board and individual Directors. The above manner is based on the Guidance Note on Board Evaluation issued by the SEBI on January 05, 2017.

The Board evaluates each director's performance as well as that of the Committees viz. Audit Committee, Nomination & Remuneration Committee, CSR & ESG Committee, Stakeholder Relationship Committee, IT Strategy Committee and Risk Management Committee, as well as the performance of each Independent Director.

A separate meeting of Independent Directors was convened on March 18, 2024 for the FY24 in the absence of the Non-Independent Directors and the Company's Management. In

order for the Board to carry out its responsibilities in an efficient and responsible manner, the Independent Directors have evaluated and reviewed the performance of the Non-Independent Directors as well as the Board's overall performance in terms of the quantity, quality, and timeliness of information exchanged between the Management and the Board.

## **Corporate Governance Report:**

The Corporate Governance report is furnished as **Annexure III** to this report. A certificate from Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as prescribed under the Listing Regulations is annexed to the Corporate Governance Report. Further, pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Bhatt & Associates Company Secretaries LLP have stated that for FY24, none of the Directors have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority and a certificate to that effect has been annexed to the corporate governance report and the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) annual certification on financial statements and internal controls in terms of Regulation 17(8) of the SEBI LODR Regulations is also annexed to the Corporate governance report.

## **Internal Guidelines on Corporate Governance:**

As on Mar'24, your Company adhered to the Internal Guidelines on Corporate Governance adopted in accordance with Master Directions – Non-Banking Finance Company-Housing Finance Company (Reserve Bank) Directions, 2021, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance practices of the Company. The said policy is available on the website of the Company and can be accessed at [corporate governance policy](#).

## **Company's policy on Director's appointment and remuneration:**

The Nomination and Remuneration Committee has laid down

# Directors' Report

criteria for determining Directors Qualification, Attributes and Independence of a Directors, 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 salient features of the policy are given in the Corporate Governance Report which forms part of Annual Report. Further, during the financial year under review, the Company has renamed the name of the "Nomination and Remuneration Policy" to "Nomination and Compensation Policy" and carried out amendment in the said policy in accordance with the RBI 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' dated April 29, 2022. The policy may be accessed on the Company's website at [Nomination and Compensation Policy](#).

Further as required by Master Directions - Non-Banking Finance Company - Housing Finance Company (Reserve Bank) Directions, 2021 and Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, as amended from time to time, there were no pecuniary relationship or transactions of the non-executive directors with the Company except sitting fees and profit related commission paid to the Independent Directors.

## Management Discussion and Analysis:

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Master Directions issued by the Reserve Bank of India, the Management

There are six Board committees of the Company which on supervision of the Board perform the task as per their charter. The details of the Committees as on Mar'24 are:

Sr. No.	Name of Committee	Members (Designation)
1.	Audit Committee	Ms. Sucharita Mukherjee (Chairperson) Ms. Geeta Dutta Goel (Member) Mr. Maninder Singh Juneja (Member)
2.	Nomination and Remuneration Committee	Ms. Geeta Dutta Goel (Chairperson) Mr. Anuj Srivastava (Member) Mr. Narendra Ostawal (Member)
3.	CSR and ESG Committee	Ms. Geeta Dutta Goel (Chairperson) Ms. Sucharita Mukherjee (Member) Mr. Manoj Viswanathan (Member)

Discussion and Analysis Report (MD&A) forms part of this annual report.

## Business Responsibility and Sustainability Reporting ('BRSR'):

In terms of Regulations 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, based on the market capitalization (calculated as on 31st March of every financial year) shall submit business responsibility and sustainability report for FY24 describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time. The Company being amongst top 1000 listed entities, have included the BRSR report as part of the Annual Report as **Annexure VII**.

## DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

### Board and Committee Meetings:

During FY24, the Board of Directors of the Company met 4 times i.e. on May 2, 2023, July 27, 2023, October 26, 2023 and January 18, 2024. The details of meetings of the Board and its Committees held during the financial year under review are provided in the Corporate Governance Report of the Directors which forms a part of this report. The intervening gap between the two Board meetings was within the period prescribed under the Act.

# Directors' Report

4.	Stakeholders Relationship Committee	Ms. Sucharita Mukherjee (Chairperson) Mr. Maninder Singh Juneja (Member) Mr. Manoj Viswanathan (Member)
5.	Risk Management Committee	Mr. Maninder Singh Juneja (Chairperson) Ms. Sucharita Mukherjee (Member) Mr. Narendra Ostawal (Member) Mr. Manoj Viswanathan (Member) Ms. Nutan Gaba Patwari (Member) Mr. Ajay Khetan (Member) Mr. Ashishkumar Darji (Member)
6	IT Strategy Committee	Mr. Anuj Srivastava (Chairperson) Mr. Maninder Singh Juneja (Member) Mr. Manoj Viswanathan (Member) Mr. Ajay Khetan (Member)

During the year under review, the Board, after deliberations, has accepted all the recommendations of Board Level Committees. A detailed report on all the committees including their terms of reference, number of times they met etc., is there in the corporate governance report which forms part of this report.

## Whistle Blower Policy / Vigil Mechanism:

In accordance with the provisions of Section 177(9) of the Act and the rules made thereunder, the Company has established Vigil mechanism and adopted a Whistleblower Policy under the surveillance of the Audit committee. The Company has adopted a work culture which ensures the highest standards of professionalism, honesty, integrity, moral and ethical behavior.

The Policy may be accessed on the Company's website at [Whistleblower Policy](#).

## Corporate Social Responsibility (CSR):

The Company has worked on projects supporting healthcare, education, livelihood support, as well as skill development for migrant workers and the empowerment of women workers, as part of its "Corporate Social Responsibility (CSR)" activities. During the year, the Company has spent ₹4.40 Crs on various CSR activities. The CSR Policy can be accessed on the Company's website at [CSR Policy](#). "Annexure IV" which forms part of this report contains information of the CSR projects. The projects undertaken by the Company are in accordance with Schedule VII of the Act read with the relevant rules and the CSR policy of the Company.

## RISK MANAGEMENT FRAMEWORK:

Considering the nature of business and the macroeconomic conditions, the Company is exposed to various types of risks. These risks can be intrinsic or related to the market. The Company has consistently prioritised the identification, measurement, and mitigation of risks. As a Housing Finance Company, the Company is exposed to various risks such as credit risk, market risk (interest rate and currency risk), liquidity risk, and operational risk (technology, personnel, transaction, and reputation risk).

The Company has an efficient Risk Management Control Framework that has been designed to cover all of the aforementioned areas to identify and mitigate all of these risks. With a wealth of cross-domain industry experience, the Company's directors and senior management team, members constitute the Risk Management Committee ("RMC") to overcome these challenges. Through the year, the RMC met several times and actively monitored any emerging risks to which the Company could be exposed. The Chief Risk Officer (CRO) of the Company is in charge of identifying, quantifying, and mitigating risks. The CRO also meets the RMC at least once a quarter without the presence of the management team, to address the risks the company faces and the procedures in place to reduce them.

# Directors' Report

The Company has a strong structure in place to ensure that systems, policies, processes, and procedures are continuously reviewed to contain and reduce risks that may occasionally develop. To reduce these risks, controls that are already in place are continuously assessed, and any necessary strengthening or enhancement is made in response to the assessment. The support of various sub-committees like ALCO, Credit Committee, IT Steering Committee, Grievance Redressal Committee, Identification Committee etc. along with the introduction of the RBIA framework has strengthened the overall risk management framework.

A detailed report on Risk Management is presented in the Management & Discussion Analysis report, which is part of this annual report.

## AUDITORS AND REPORTS:

### Appointment of Auditors:

M/s. Deloitte Haskins and Sells (“**Statutory Auditors**”), Chartered Accountants, Firm registration no: 117365W, were appointed as the Statutory Auditors of the Company for a term of 3 years at the Annual General Meeting held on August 5, 2021 till the conclusion of 15th AGM of the Company to be held in the year 2024. The term of M/s. Deloitte Haskins and Sells would expire in the forthcoming 15th Annual General Meeting.

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, read with RBI Guidelines on appointment of statutory auditor(s) by Housing Finance Companies, the Board has recommended, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company, appointment of M/s. BSR & Co. LLP, Chartered Accountants, Firm registration no: 116231W/W-100024, as the Statutory Auditors of the Company for a term of 3 years. The Company has received a confirmation letter from the M/s BSR & Co. LLP that they are not disqualified and are eligible to hold the office as Auditors of the Company, if appointed.

### Qualification/ Reservation/ Adverse remark / Disclaimer of Statutory Auditors on Financial Statements for FY24:

The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or

disclaimer in their Audit Report on the Financial Statements for FY24.

### Fraud Reported by Auditors:

During the year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Act.

### Internal Auditors:

In accordance with Section 138 of the Act, the Company had appointed M/s. P Chandrashekhar LLP and M/s BDO India LLP as Joint Internal Auditors, with specific roles for branch and head office functions respectively. Additionally, M/s. Kirtane & Pandit LLP was engaged to support the Head of Internal Audit in branch audits in Q4FY24.

The appointment was made to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans and statutory requirements. For the year under review, the Internal Auditors have not submitted material qualifications, reservations or adverse remarks or disclaimers.

### Maintenance of Cost records:

The Company being a Housing Finance Company is not required to maintain cost records as prescribed under section 148(1) of the Act.

### Secretarial Standards:

During the financial year under review, the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

### Secretarial Auditors' and Secretarial Compliance Report:

In accordance with Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries (COP No.: 7023) to conduct secretarial audit of the Company for 3 years starting from FY22 till FY24. The Secretarial Audit report has been annexed to this Report as **Annexure V**. The Secretarial Auditors have not submitted

# Directors' Report

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any qualifications, reservations or adverse remarks or disclaimers. Further, the Secretarial Auditors have not reported any instances of fraud in terms of Section 143 (12) of the Act.

## HUMAN RESOURCE:

HomeFirst's most valuable resource and strength is its workforce. Your company has implemented practices that allow it to cultivate a work culture that is constantly focused on giving employees the best opportunities while also attracting, retaining, and nurturing talent in a market that is becoming more and more competitive. All employees, regardless of tenure, are given organised learning opportunities according to their function, level, and area of interest. Early in their careers, the emphasis is on preparing employees for their roles through practical knowledge and skill-based training; at mid-levels, this shifts to management competence building, and at senior levels, leadership. Further, to ensure that internal and external stakeholders receive excellent standards of service, the staff members are outfitted with a variety of functional and behavioural abilities. Over the year, the Company has offered both online and offline knowledge and skill-based training.

Your Company is also an equal-opportunity employer. In addition to creating a diversified staff across age, gender, and socioeconomic groups, your Company has also established a positive work atmosphere. As part of its philosophy, the Company hires recent college graduates, provides them with on-the-job training to help them reach their full potential, and eventually offers them a viable career path inside the Company. The Company has always considered the well-being of its personnel. We have partnered with several organisations to provide teleconsultation and counselling services to help staff members manage their physical and emotional health. The Company has a mediclaim policy for its employees and their immediate relatives and term life policy and accidental coverage for its employees.

As of Mar'24, there were 133 branches and 1,249 employees working for the Company.

## EMPLOYEE STOCK OPTION SCHEMES:

In order to enable the employees of the Company to participate in its future growth and success, the Company has

three Employee Stock Option Schemes. In terms of Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures for FY24 with respect to all the ESOP Schemes have been provided on the website of the Company at [www.homefirstindia.com](http://www.homefirstindia.com).

## Employee Remuneration:

In terms of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees of the Company have been provided in **Annexure VI** to this Board's Report. Further, statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the ensuing Annual General Meeting.

In terms of the provisions of Section 136 of the Act read with the said Rule, the Directors' Report is being sent to the shareholders excluding the annexure. A copy of the statement may be obtained by shareholders by writing to the Company Secretary at the Registered Office of the Company or at [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com).

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In accordance with the Act and the rules made thereunder the Company has adopted and implemented a policy on 'Prevention of Sexual Harassment'. The Policy is available on the website of the Company at [POSH Policy](#). The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**").

During FY24, the Company did not receive any complaint. The Annual Report as required under Section 21 of the POSH Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 has been submitted to the respective authority.

# Directors' Report

## REGULATORY COMPLIANCE:

The Company has complied with the guidelines, circulars and directions issued by RBI from time to time. The Company has adopted all the Policies as recommended by regulatory authorities from time to time.

The Company also has been following directions / guidelines / circulars issued by Accounting Standards, Income Tax Act, 1961 and Ministry of Corporate Affairs from time to time, as applicable to the Company.

## OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

### Disclosure of Significant and Material Order(s) passed by Regulators or Courts or Tribunal:

During the year under review, there were no significant and material order(s) passed by the Regulators / Courts/ Tribunal which would impact the going concern status of the Company and its future operations.

### Director's Responsibility Statement:

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended Mar'24, the Board of Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and the Directors made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at Mar'24, and of the profit of the Company for the year;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting

fraud and other irregularities;

- the directors have prepared the annual accounts of the Company on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Disclosure under Section 43(a)(ii) of the Act:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

### Disclosure under Section 54(1)(d) of the Act:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

### Disclosure under Section 67(3) of the Act:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme hence no information pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

### Disclosure under Rule 8 of the Companies (accounts) Rules, 2014:

During the year under review the Company has not made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 further there were no instances of one-time settlement for any loans taken from the Banks or Financial Institutions.

# Directors' Report

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## ACKNOWLEDGEMENT AND APPRECIATION:

The Board of Directors places its gratitude and appreciation for the support and cooperation from all the stakeholders of the Company including the Reserve Bank of India, National Housing Bank, the Ministry of Corporate Affairs, Securities and Exchange Board of India, the Government of India, Insurance Regulatory Development Authority of India, Stock

Exchanges and other Regulatory Authorities, Bankers, Lenders, Financial Institutions, Members, Credit Rating agencies, Customers of the Company for their continued support and trust. The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company for an excellent year of performance.

Concludingly, the Board would like to thank all the investors as well as the communities we operate in who have reposed their trust in us and supported us in our journey.

**For and on behalf of the Board of Directors**

**Sd/-**

**Deepak Satwalekar**

**Chairman & Independent Director**

**DIN: 00009627**

**Date: May 8, 2024**

**Place: Mumbai**

# Directors' Report

## Annexure I

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### **Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

- Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
  - (a) Name(s) of the related party and nature of relationship: **N.A.**
  - (b) Nature of contracts/ arrangements/ transactions: **N.A.**
  - (c) Duration of the contracts /arrangements / transactions : **N.A.**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
  - (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
  - (f) Date(s) of approval by the Board: **N.A.**
  - (g) Amount paid as advances, if any: **N.A.**
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
- Details of material contracts or arrangement or transactions at arm's length basis:

Sr no	Particulars	Details
1.	Name(s) of the related party	True North Enterprise Private Limited
2.	Nature of relationship	Entity under Common Control
3.	Nature of contracts/ arrangements/ transactions	Reimbursement of Expenses
4.	Duration of the contracts /arrangements /transactions	Not Applicable
5.	Salient terms of the contracts or arrangements or transactions including the value, if any	<p>(i) True North Enterprise Private Limited ("<b>True North</b>") has deputed their employee to assist in projects and provide its support and insights on critical matters of the Company.</p> <p>(ii) The Company had reimbursed True North for the remuneration paid to the employee in lieu of its contribution made during FY24.</p> <p>During the year the total value of the transaction with True North was ₹0.6 million.</p> <p>Note : this transaction is not a material transaction in accordance with RPT Policy of the Company and Section 188 of the Act.</p>
6.	Date(s) of approval by the Board, if any:	Audit Committee at its meeting held on May 8, 2024 has ratified this transaction in pursuance of the resolution passed on May 2, 2023.

# Directors' Report

7.	Amount paid as advances, if any	NIL
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**For and on behalf of the Board of Directors  
Home First Finance Company India Limited**

**Sd/-  
Deepak Satwalekar  
Chairman & Independent Director  
DIN: 00009627**

**Sd/-  
Manoj Viswanathan  
Managing Director & CEO  
DIN: 01741612**

# Directors' Report

## Annexure II

### Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

#### 1. Title

This policy shall be called the 'Policy on materiality of related party transactions and dealing with related party transactions' (the "**Policy**").

#### 2. Objective

- a. Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder (the "**Act**") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") require companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

This policy is framed to endeavor to ensure due and proper compliance with the applicable provisions and provide guidance for entering into transaction with related party to ensure that proper procedure is defined and followed for approval / ratification and reporting of transactions as applicable, between the Company and any of its Related Parties.

#### 3. Definitions:

- a. "**Act**" or "**The Act**" shall mean the Companies Act, 2013 and the Rules made thereunder (as amended /modified /re-enacted from time to time).
- b. "**Arms' length transaction**" means a Transaction between two related parties that is conducted as if they were unrelated, so that no conflict of interest.

*Note: For determination of Arm's Length basis, guidance may be taken from the provision of Transfer Pricing under*

*Income Tax Act, 1961.*

- c. "**Key Managerial Personnel**" or "**KMPs**" means Key Managerial Personnel as defined under the Companies Act and includes:
- (i) managing director, or chief executive officer or manager;
  - (ii) the whole-time director;
  - (iii) company secretary;
  - (iv) chief financial officer;
  - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (vi) such other officer as may be prescribed.
- d. "**Material Related Party Transaction**" in relation to the Company means a Related Party Transaction which individually or taken together with previous transactions with a Related Party during a financial year, exceeds one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such limit as prescribed or amended by the **SEBI Listing Regulations** or the Companies Act, 2013 or any other Statutory Bodies.
- e. Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company such limit as prescribed or amended by the **SEBI Listing Regulations** or the Companies Act, 2013 or any other Statutory Bodies.
- f. "**Ordinary Course of Business**" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, providing loan to subsidiaries/joint ventures/obtaining loan from holding companies in the normal routine in managing trade or business and is not

# Directors' Report

a standalone transaction and includes any transaction carried out as per the Object Clause of Memorandum of Association and Articles of Association of the Company.

*Note: The Company may take into account the frequency of the activity and its continuity carried out in a normal organized manner for determination what is in the ordinary course business.*

- (l) "Relative" in relation to a related party shall have the same meaning assigned to it in Section 2(77) of the Act and rules prescribed there under and as per Regulation 2(1) (zd) of the SEBI Listing Regulations as amended from time to time, means anyone who is related to another, if
- (i) they are members of a Hindu undivided family; or
  - (ii) they are husband or wife; or
  - (iii) one person is related to the another in the following manner, namely:
    - a. father, includes step-father
    - b. mother, includes step-mother
    - c. son includes step-son
    - d. son's wife
    - e. daughter
    - f. daughter's husband
    - g. brother includes step-brother
    - h. sister includes step-sister

- g. **"Related Party"** means a person or an entity, which is a related party under section 2(76) of the Companies Act, 2013 as amended from time to time or under applicable accounting standards and as per Regulation 2(1) (zb) of the SEBI Listing Regulations as amended from time to time.

*Note: Reference and reliance may be placed on the clarification issued by the Ministry of Corporate Affairs, Government of India and other authorities from time to time on the interpretation of the term "Related Party".*

- h. **"Related Party Transactions"** means a transaction involving a transfer of resources, services or obligations between:
- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
  - (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the

purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023.

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - (i) payment of dividend;
  - (ii) subdivision or consolidation of securities;
  - (iii) issuance of securities by way of a rights issue or a bonus issue; and
  - (iv) buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.

- i. **"Transaction"** shall be construed to include single transaction or a group of transactions in a contract.
- j. **"Material Modification"** in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications means any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 20% of transactions, in each case, over and above the approved limits.

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder

# Directors' Report

including the SEBI Listing Regulations, the applicable accounting standards or any other relevant legislation/ law applicable to the Company.

#### 4. Disclosure by Directors

Every director shall at the beginning of the financial year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of Relatives which are regarded as Related Party as per this Policy.

Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as Related Party according to this Policy.

#### 5. Identification of related parties and related party transactions

##### (a) Identification of related parties

The Company shall periodically identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed thereunder and SEBI Listing Regulations. Such periodicity shall not be more than one year.

##### (b) Identification of related party transactions

The Company has formulated process for identification of related party transactions in accordance with Section 188 of the Act and SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

Each Director and Key Managerial Personnel is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.

#### 6. Determination of approval level based on nature of transaction

##### (I) Audit Committee approval

- (a) Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee or the Directors of the Board who has potential interest in any Related Party Transaction in terms of Rule 15(2) of the Companies (Meeting of Board and its Powers) Rules, 2014 shall not be present at the meeting whether physically or by electronic mode during the discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.
- (b) All the transactions which are identified as Related Party Transactions should be preapproved by the Audit Committee before entering into such transaction.
- (c) The Audit Committee shall consider the following factors while deliberating the Related Party Transactions for its approval:
  - i. name of party and details explaining nature of relationship;
  - ii. duration of the contract and particulars of the contract and arrangement;
  - iii. nature of transaction and material terms thereof including the value, if any;
  - iv. manner of determining the pricing to ascertain whether the same is on Arm's Length Basis;
  - v. business rationale for entering into such transaction; and
  - vi. any other information relevant or important for the Board to take a decision on the proposed transaction.
- (d) In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
  - i. Whether the terms of the Related Party Transaction are fair and on Arm's Length Basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
  - ii. Whether there are any compelling business reasons / rationale for the Company to enter into

# Directors' Report

the Related Party Transaction and the nature of alternative transactions, if any;

- iii. Whether the Related Party Transaction would affect the independence of an independent Director;
- iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- v. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- vi. Whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, executive officer or other Related Party, the direct or indirect nature of the director's, key managerial personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

## (II) Board of Directors approval

All Related Party Transactions covered under Section 188 of the Act (which primarily excludes loans, investments and providing guarantee/security etc.) that are:

- not in the ordinary course of business, or
  - in the ordinary course of business but not at arms' length or
  - neither in the ordinary course of business nor at arms' length
- shall require the prior approval of the Board of Directors at a Meeting of the Board.

Further, the transactions which require approval of the Board shall first be reviewed /approved by the Audit Committee. Where any director is interested in any

contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

## (III) Shareholders' approval

All Related Party Transaction which falls under first proviso to section 188 of the Act and exceeds the threshold limit as prescribed under rules made thereunder (as amended/modified from time to time) or material related party transactions and subsequent material modification under Regulation 23 of SEBI LODR Regulations shall be approved by the shareholders in the manner prescribed thereunder. All entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is party to the particular transaction.

## 7. Review and Approval of Related Party Transactions:

- (a) All Related Party Transactions or changes therein must be reported by the Head of Accounts/Finance and to the Company Secretary and referred for the approval /review by the Audit Committee in accordance with this Policy.
- (b) **Omnibus Approval:**
  - i. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company in respect of the transactions which are repetitive in nature.
  - ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
  - iii. Such omnibus approval shall specify (a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into and (b) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5-10%).  
In case where the Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for those kinds of transactions, subject to a financial value not exceeding ₹1 Crore per transaction or

# Directors' Report

such other higher limit as may be prescribed under the applicable law from time to time.

- iv. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year or immediately succeeding meeting of the Audit Committee.
- v. Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

- (c) If prior approval of the Audit Committee / Board / Shareholders as the case may be, for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board / general meeting, if required, within 3 months of entering in the Related Party Transaction.

## 8. Disclosures

The Company shall disclose, in the Boards' report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not on arm's length basis along with the justification for entering into such transaction.

## 9. Related Party Transactions Not Approved Under This Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

## 10. Compliance with RPT Policy

- a. Every person associated with RPT shall be accountable for complying with this RPT Policy that may be in force from time to time.
- b. Director or KMP or any other employee, who had entered into or authorised the contract or arrangement in violation of the RPT policy and RPT framework shall be guilty of non-compliance
- c. In case of breach of this policy, Audit Committee and/or the Board of Directors may intimate appropriate action against the person/s responsible.

## 11. Administrative Measure

The Audit Committee of the Company, subject to supervision of the Board, shall be the Competent Authority for investigating and taking appropriate actions/steps for prevention or remedy of any breach and/or default in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulation.

## 12. Interpretation

Subject to the superintendence of the Board, this Policy shall be interpreted and administered by the Audit Committee.

## 13. Process or Standard Operating Process

The Head of Finance/Accounts form/adopt a Standard Operating Process (SOP) as guidance for related party transactions and all the employees and concern

# Directors' Report

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persons are required to follow the said SOP.

## 14. Exemption

Transactions which are governed under the other applicable provisions of the Companies Act, 2013 like Section 185, 186 or 187 of the Companies Act, 2013, shall govern by the respective applicable provisions of the Act.

## 15. Policy Review

In case of any subsequent changes in the provisions of the Act and the Rules framed thereunder, the Act and its Rules would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. The Board shall have the right to amend the Policy from time to time, based on recommendations of Audit Committee. The Policy shall be reviewed as and when required, However, it shall be reviewed earlier if need arises for the same and/ or under special circumstances, for example a change in law.

# Directors' Report

## Annexure III

### Report of the Directors on Corporate Governance for FY24

#### Company's philosophy on Corporate Governance:

Corporate governance provides a comprehensive and interdisciplinary approach to the management, operation, and control of the Company. It is the use of best management practices, strict compliance to the letter and spirit of the law and adherence to superior ethical standards. Corporate governance is critical to the survival of the company and is required to establish a corporate culture of transparency, accountability and effective oversight over the business. At HomeFirst, we understand that strong corporate governance is not only a regulatory requirement but an essential element in fostering sustainable business practices. Your Company's corporate governance framework is designed with a focus on establishing a robust system of checks and balances among key participants such as the board, its committees, management, auditors, and various stakeholders. Emphasizing the importance of oversight and integrity, the Board of Directors and management prioritize maintaining high standards in governance and business operations. This commitment reflects a dedication to effective corporate governance practices that ensure transparency, accountability, and the protection of stakeholders' interests.

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

The Company is in Compliance with the Master Direction on Non Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI Directions**"), the Companies Act, 2013 ("**Act**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), and all other applicable rules, regulations, circulars and notifications issued by RBI, SEBI, MCA, IRDAI and other statutory bodies.

#### The Board of Directors:

The Board of Directors ("**Board**") is entrusted with the responsibility of safeguarding the Company's best interests and ensuring wealth generation for all stakeholders because it occupies a fiduciary position. By maintaining transparency, equality, and independence in its decision-making processes, the Board, along with its committees, assumes its responsibility towards all stakeholders of the Company.

The contribution of the Board is critical for ensuring appropriate guidance with regard to leadership, vision, strategy, policies, monitoring, supervision, accountability to shareholders and other stakeholders, and for achieving greater levels of performance on a sustained basis as well as adherence to the best practices of corporate governance.

Your Company also support the value of a more diverse and inclusive board, which contributes a rich range of perspectives, opinions, and ideas for making decisions and solving problems. Board diversity can pave the way for more inclusive and cooperative corporate governance, have a good effect on a Company's culture, and assist in keeping up with a changing consumer base and market.

#### CORPORATE GOVERNANCE STRUCTURE



# Directors' Report

## Composition and Category of the Board of Directors:

The composition of the Board of Directors is in conformity with the SEBI Listing Regulations and the Act.

As on March 31, 2024, the Board of Directors comprised of 8 Directors, out of whom 4 were Non-Executive Independent Directors (Including the Chairman and 2 Women Directors), 3 were Non-Executive Nominee Directors representing equity investors and a Managing Director and Chief Executive Officer their details are as under:

Sr. No.	Name of Directors	DIN	Category	No. of Equity Shares held and convertible instruments	Qualification / Experience	No of Other Directorships*	Membership in Committees**	
							As Member	As Chairperson
1.	Mr. Deepak Satwalekar	00009627	Non-Executive, Chairman and Independent Director	-	Bachelors in Mechanical Engineering and MBA (more than 4 decades)	2	2	2
2.	Ms. Geeta Dutta Goel	02277155	Non-Executive, Independent, Woman Director	-	Bachelors in commerce and PGDM (over 29 years)	2	2	1
3.	Mr. Anuj Srivastava	09369327	Non-Executive, Independent Director	-	Bachelors in Technology and MBA (over 21 years)	1	-	-
4.	Ms. Sucharita Mukherjee	02569078	Non-Executive, Independent, Woman Director	-	Bachelors in Economics & PGDM (over 23 years)	1	2	2
5.	Mr. Divya Sehgal	01775308	Non-Executive, Nominee Director (For True North Fund V LLP)	-	Bachelors of Technology in electrical Engineering and PGDM (over 28 years)	3	1	-
6.	Mr. Maninder Singh Juneja	02680016	Non-Executive, Nominee Director (For True North Fund V LLP)	-	Bachelors in Civil Engineering and PGDM (over 29 years)	4	2	-
7.	Mr. Narendra Ostawal	06530414	Non-Executive, Nominee Director (for Orange Clove Investments B.V.)	-	Chartered Accountant and PGDM (over 18 years)	6	5	-
8.	Mr. Manoj Viswanathan	01741612	Managing Director and Chief Executive Officer ("MD & CEO")	8,03,383 equity shares (0.91%)	Bachelors in electrical and electronics and PGDM (over 27 years)	1	1	-

# Directors' Report

\*Number of Other Directorships includes Directorships held in other Indian Public companies (listed and unlisted) including our Company.

\*\*In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, for the purpose of considering the Committee Memberships and Chairpersonships for a Director, Audit Committee, and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) including our Company has been considered.

## Other Directorships of Directors in listed entity:

Name of Director	Name of the listed Entity	Category of Directorship
Mr. Deepak Satwalekar	Wipro Limited	Non-Executive - Independent Director
Ms. Geeta Dutta Goel	Equitas Small Finance Bank Limited	Non-Executive - Independent Director
Mr. Anuj Srivastava	-	-
Ms. Sucharita Mukherjee	-	-
Mr. Divya Sehgal	AU Small Finance Bank Limited*	-
Mr. Maninder Singh Juneja	Fedbank Financial Services Limited	Non-Executive - Nominee Director
Mr. Narendra Ostawal	1. Computer Age Management Systems Limited 2. Fusion Micro Finance Limited	1. Non-Executive - Nominee Director 2. Non-Executive - Nominee Director
Mr. Manoj Viswanathan	-	-

\*Appointed as Director with effect from April 01, 2024

During the financial year under review, none of the Directors held directorship in more than ten public companies and none of the directors served as a director in more than seven listed companies, across the directorships held including that in the Company. Further, neither of the Directors of the Company is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a director.

During financial year under review, the minimum information required to be placed before the board as specified in Part A of Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.

The Board reviews periodically, the compliance reports of all laws applicable to the Company. The Company has a Non-Executive Independent Director as a Chairman. The role of the Chairman and the MD & CEO are distinct and separate in nature. The MD & CEO of the Company does not serve as an Independent Director in any listed company. Further, there was no resignation of directors including independent director during the year.

## Disclosure of relationships between directors inter-se:

None of the directors are inter-se related to each other. The Independent Directors are independent of the management. All the directors of the Company have confirmed that they

comply the fit and proper criteria as prescribed under the applicable regulations. The Company has also formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Directions.

## Change in Composition of the Board:

During the FY24, following change took place in the Composition of Board:

At the 14th Annual General Meeting of the Company, Mr. Manoj Viswanathan (DIN: 01741612) was re-appointed as Managing Director & Chief Executive Officer ("**MD & CEO**") of the Company for a further period of 5 (Five) years commencing August 1, 2023. Further, Board and Members of the Company have approved the continuation of Directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN:00009627) beyond the age of 75 years till the expiry of his current term.

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

## Chart/Matrix setting out skills/expertise/competence of the Board of Directors:

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to

# Directors' Report

effectively contribute in deliberations at Board and Committee meetings. As required under Schedule V of the SEBI Listing Regulations, the table below summarizes the key skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Sr. No.	Parameters	Mr. Deepak Satwalekar	Ms. Geeta Dutta Goel	Mr. Anuj Srivastava	Ms. Sucharita Mukherjee	Mr. Maninder Singh Juneja	Mr. Divya Sehgal	Mr. Narendra Ostawal	Mr. Manoj Viswanathan
1.	Industry Experience	√	√	-	√	√	√	√	√
2.	Financial Expertise	√	√	-	√	√	√	√	√
3.	Consumer Behavior	√	√	√	√	√	√	-	√
4.	Legal and Compliance	√	√	-	√	-	-	-	√
5.	Corporate Governance	√	√	√	√	-	√	√	√
6.	Strategy and Decision Making	√	√	√	√	√	√	√	√
7.	ALM and Risk Management	√	√	-	√	√	√	√	√
8.	Information Technology and Cyber Security.	√	-	√	√	√	√	-	√

## Responsibilities of the Board:

The Board's role, responsibilities and levels of accountability are explicitly defined. Apart from its principal responsibility of overseeing the Company's performance, the Board undertakes various responsibilities, which include but are not limited to the following:

- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behavior and compliance of laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies, and performance.

The Board reviews Company's overall performance at regular intervals. The Board has a formal schedule of matters reserved for its consideration and decision, apart from legally required matters.

## Board Proceedings:

The Board Meetings (including Committee Meetings) are planned well in advance and a tentative annual calendar is

shared with all Directors to allow them to plan their schedules and encourage their active participation in the meetings. The Directors are also given an option to participate in the meetings though Video conferencing to encourage effective and active involvement in the Board deliberations. When a particular or urgent business arises, the Board provides its consent by approving resolutions that are circulated in line with all applicable legislation. The resolutions passed through circulation are placed and reaffirmed by the Board at its ensuing Board Meeting.

The company secretary in consultation with the MD & CEO prepares a detailed agenda for the Board (including Committee) meetings. Agenda of said meetings are circulated in a timely manner and in accordance with all applicable legislation. To help the directors/members make thoughtful decisions, all the necessary notes and information are included in the agenda itself. The Members of the Board can also recommend inclusion of any matter in the agenda for discussion. With the unanimous consent of the Board as per the Secretarial Standard issued by ICSI, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings. The minutes of each Board/ Committee Meetings are duly circulated to the directors finalised and recorded in the minute book maintained by the Company Secretary.

# Directors' Report

The Board meets at least once a quarter to review the quarterly performance and financial results of the Company and to discuss and decide on the business policy and strategy and other businesses.

During the financial year under review, the Board met four times i.e. on May 2, 2023, July 27, 2023, October 26, 2023 and January 18, 2024. The gap between any two Board Meetings

held during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The attendance of the directors at the above-mentioned board meetings and the Annual General Meeting (AGM) held on June 8, 2023, along with the sitting fees paid to them are listed below:

Name of Director	No. of Board Meetings convened during their tenure	No. of meetings attended	Sitting Fees paid (in ₹)	AGM Y=attended N=not attended
Mr. Deepak Satwalekar	4	4	4,00,000/-	Y
Ms. Geeta Dutta Goel <sup>#</sup>	4	4	-	Y
Mr. Anuj Srivastava	4	4	4,00,000/-	N
Ms. Sucharita Mukherjee	4	3	3,00,000/-	N
Mr. Divya Sehgal	4	4	-	Y
Mr. Maninder Singh Juneja	4	4	-	Y
Mr. Narendra Ostawal	4	4	-	Y
Mr. Manoj Viswanathan	4	4	-	Y

<sup>#</sup>Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.

## Membership of Directors in Board Committees during FY24:

Name of Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Risk Management Committee <sup>##</sup>	IT Strategy Committee	CSR and ESG Committee*
Mr. Deepak Satwalekar	-	-	-	-	-	-
Ms. Geeta Dutta Goel	M	C	-	-	-	C
Mr. Anuj Srivastava	-	M	-	-	C	-
Ms. Sucharita Mukherjee	C	-	C	M	-	M
Mr. Divya Sehgal	-	-	-	-	-	-
Mr. Maninder Singh Juneja	M	-	M	C	M <sup>#</sup>	-
Mr. Narendra Ostawal	-	M	-	M	-	-
Mr. Manoj Viswanathan	-	-	M	M	M	M

C=Chairperson and M= Member

\*The name of the Committee was changed from "Corporate Social Responsibility Committee" to "CSR and ESG Committee" on May 02, 2023.

<sup>#</sup>Mr. Maninder Singh Juneja was appointed as Member of the IT Strategy Committee on January 18, 2024.

<sup>##</sup>The Composition of the Committee also comprises senior management of the Company.

# Directors' Report

## Board Diversity:

To ensure that a fair and transparent process is in place to encourage diversity in thought, knowledge, skills, experience, age and gender, perspective, functional and industry experience, cultural and geographical background, the Board has adopted the "Policy to promote diversity on the Board of Directors" as recommended by the Nomination and Remuneration Committee. We recognize the benefits of having a diverse Board, and see increasing diversity at Board level as an essential element in maintaining a competitive advantage.

The present Board comprises of adequate number of members with diverse backgrounds that best serve the governance and business requirements of the Company. The directors are persons of eminence in their respective fields and bring with them a plethora of skills and experience that add value to the performance of the Board.

## Role of Independent Directors:

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

## Declaration of Independence:

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and Regulation 16(1)(b) and Regulation 25 of the SEBI Listing Regulations. The independent directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors maintained by Indian Institute of Corporate Affairs and they have either undertaken the online proficiency self-assessment test or are

exempted therefrom.

The terms and conditions of appointment of Independent Directors are available at [Terms and Condition for appointment of Independent Director](#).

## Familiarisation Programme:

Your Company, on an ongoing basis strives to keep the Board, specifically the Independent Directors informed and updated with matters related to the industry and business environment in which we operate, our business model, risk metrics, mitigation and management, ever evolving governing regulations, information technology including cyber security, their roles, rights and responsibilities and any other major developments and updates.

All new Independent Directors are taken through a detailed induction and familiarisation programme, that covers the history, background, cultures, values, organizational structures, board procedures and overview of the business operations of the Company. The Company has also provided directors with a reference manual which, inter alia, covers the roles, functions, powers and duties of the directors, disclosures and declarations to be submitted by directors and various codes and policies of the Company.

The induction and ongoing programmes enable the Independent Directors to take better informed and conscious decisions, in the best interests of the stakeholders of the Company.

The details of familiarisation programme imparted to the Independent Directors and the policy of the Company are available on the Company's website at [Policy on Familiarization Program for Independent Director](#) respectively.

## Separate Independent Directors Meeting:

The Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management to discuss all such issue as they may consider relevant. During the year under review, the meeting of Independent Directors was held on March 18, 2024.

# Directors' Report

At the said meeting, the Independent Directors considered the following:

- Reviewed the performance of Non-Independent Directors and the Board as a whole.
- Reviewed the performance of Mr. Deepak Satwalekar, Chairman of the Company, taking into account the views of all the Directors who had given their rating in the evaluation process.

- Assessed the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

The details of the meeting and sitting fees paid is mentioned as below:

Names of Directors	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Mr. Deepak Satwalekar	1	1	1	1,00,000/-
Ms. Geeta Dutta Goel <sup>#</sup>	1	1	1	Nil
Mr. Anuj Srivastava	1	1	1	1,00,000/-
Ms. Sucharita Mukherjee	1	1	1	1,00,000/-

<sup>#</sup> Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.

## Committees of the Board:

To enable better and focused decision making for the Company, the Board Committees are set up under the formal approval of the Board and with clearly defined roles. The Board Committees focus on specific areas and make informed decisions within the framework of delegated authority, as well as make specific recommendations to the Board on matters within their areas or purview. The Committees' decisions and recommendations are presented to the Board for information or approval, as appropriate.

Your Company has six Board level Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR and ESG Committee, Risk Management Committee and IT Strategy Committee. The Company Secretary of the Company acts as secretary to the Committees.

The Board has accepted all the recommendations made by the various Committees. The composition and functioning of these board committees is in compliance with the applicable provisions of the Act, SEBI Listing Regulations and the Master Directions issued by Reserve Bank of India.

## Audit Committee:

The Audit Committee has been constituted in terms of

provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations. The composition of the Committee is in adherence to provisions of the Act, SEBI Listing Regulations and the RBI Directions.

All the Members of the Committee are financially literate and possess strong accounting and financial management expertise. The MD & CEO, Chief Financial Officer, Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. The Board of Directors have accepted and implemented the recommendations of the Audit Committee, whenever provided by the Committee. In accordance with the RBI Directions, head of internal auditor and chief compliance officer meets the members of the Audit Committee separately, without the presence of the senior management, on a quarterly basis.

As on March 31, 2024, the Company has a qualified and independent Audit Committee comprising of 3 Non-Executive Directors, 2 of which are Non-Executive Independent Directors. Any two Members (with atleast 2 independent directors) form the quorum for the meetings of the Audit Committee. The Chairperson of the Audit Committee is an Independent Director.

# Directors' Report

## Composition:

The members of the Audit Committee as on March 31, 2024 were:

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

## Terms of reference:

The terms of reference of the Audit Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI Listing Regulations.

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
- Laying down the criteria for granting omnibus approval in accordance with the Company 'policy on related party

transaction' and such approval shall be applicable in respect of transactions which are repetitive in nature;

- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties provided that the audit committee may take omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

# Directors' Report

- Discussing with internal auditors on any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority; and
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e., April 1, 2019, and henceforth.

## Powers of the Audit Committee:

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if

it considers necessary.

## Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of the financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
  - (ii) annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

## Audit Committee Meetings, Attendance and Quorum:

During the year under review, the Committee met 4 times - May 2, 2023, July 27, 2023, October 25, 2023 (adjourned meeting held on October 26, 2023) and January 18, 2024. The required quorum of 2 Members (with at least 2 Independent Directors) were present at all the meetings. The Company Secretary acted as Secretary to the Audit Committee meetings.

# Directors' Report

The detailed attendance and sitting fees paid for the said meetings are given below:

Names of Directors	Number of meetings held during the year and during their tenure*	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Sucharita Mukherjee	4	4	100%	4,00,000/-
Ms. Geeta Dutta Goel <sup>#</sup>	4	4	100%	Nil
Mr. Maninder Singh Juneja	4	4	100%	Nil

\*Number of meetings does not include adjourned meeting held on October 26, 2023.

<sup>#</sup>Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.

## NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee has been constituted in terms of the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations. The NRC committee is chaired by Non-Executive, Independent Director. The Committee comprises of 3 Directors as its members, all of them being Non-Executive Directors, two of which are Non- Executive, Independent Directors. The composition of the Committee is in adherence to the provisions of the Act and SEBI Listing Regulations. The Company Secretary of the Company acts as Secretary to the NRC Committee.

### Composition:

The members of the Nomination and Remuneration Committee as on March 31, 2024 were

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

### Terms of reference:

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act and Part D of Schedule II of the SEBI Listing Regulations:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors and key managerial personnel;
- Evaluation of balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of description of the roles and capabilities required of an independent director;
- For the purpose of identifying suitable candidates:
  - a. availing the services of any external agency, if required;
  - b. considering candidates from a wide range of

backgrounds, with due regard to the diversity and

c. consideration of the time commitment by the candidates.

- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Analyzing, monitoring and reviewing various human resource and compensation matters;

# Directors' Report

- Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- Framing suitable policies and systems to ensure that

there is no violation, by an employee of any applicable laws in India or overseas, including:

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority;
  - Recommend to the board, all remuneration, in whatever form, payable to senior management; and
  - Performing such other functions as may be required for the performance of any of the above duties.

## NRC Meetings, Attendance and Quorum:

During the year under review, the Committee met once on April 26, 2023. The required quorum was present at the meeting.

The detailed attendance and sitting fees paid for the said meetings are given below:

Names of Directors	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Geeta Dutta Goel <sup>#</sup>	1	1	100%	Nil
Mr. Anuj Srivastava	1	-	-	Nil
Mr. Narendra Ostawal	1	1	100%	Nil

<sup>#</sup>Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.

## Performance Evaluation:

In terms of the requirements of the Act and the SEBI Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees and Individual Performances of the Directors.

The Nomination and Remuneration Committee, has established a manner for performance evaluation of directors based on parameters such as role and contribution by a director, experience and expertise, ability to constructively challenge the perspective of others, integrity and confidentiality, and independence of behaviour and judgement. The Company completed the Board Evaluation

during the year, which included the evaluation of the Board as a whole, its committees, and individual performance evaluation of Directors, Independent Directors and Chairperson. The aforementioned manner of performance evaluation is as per the provisions of the Act and SEBI Listing Regulations. The above manner is based on the Guidance Note on Board Evaluation issued by the SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Board as a whole, the Chairman and the Non-independent Directors was carried out by the Independent Directors at their separate meeting held on March 18, 2024.

# Directors' Report

The performance evaluation criteria for Independent Directors included the criteria formulated by the NRC that, inter alia, includes-

- (i) Qualifications
- (ii) Experience
- (iii) Knowledge and Competency
- (iv) Availability and Attendance
- (v) Independence in views and Judgement.

The Board expressed its satisfaction on the manner, implementation and compliance of the performance evaluation carried out by the Company.

### Nomination and Compensation Policy:

The Company had adopted the Nomination and Compensation Policy in accordance with the RBI 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' ("Guidelines") vide notification

### Particulars of Senior Management:

Given below is the list of members of Senior Management of the Company:

Sr. No.	Members of the Senior Management Team	Role/Designation
1.	Ms. Nutan Gaba Patwari	Chief Financial Officer
2.	Mr. Ajay Khetan	Chief Business Officer
3.	Mr. Ramakrishna Vyamajala	Chief Human Resource Officer
4.	Mr. Gaurav Mohta	Chief Marketing Officer
5.	Mr. Ashish Kumar Darji	Chief Risk Officer
6.	Ms. Vilasini Subramaniam	Head - Strategic Alliance
7.	Mr. Shreyans Bachhawat	Company Secretary and Compliance Officer
8.	Ms. Harshita Mulay Dixit*	Head of Internal Audit
9.	Ms. Kavita Semwal**	Chief Compliance Officer
10.	Mr. Rupesh Mehta***	Head of IT

\*Ms. Harshita Mulay Dixit was reappointed as Head of Internal Audit for a period of one year with effect from February 01, 2024

\*\*Ms. Kavita Semwal was appointed as Chief Compliance Officer for a period of three years with effect from May 02, 2023.

\*\*\*Mr. Rupesh Mehta was appointed as Head of IT with effect from May 08, 2024

The Salient Features of Nomination and Compensation Policy are as follows:

Nomination and Compensation policy of the Company is designed to set criteria for determination of qualification, positive attributes and independence of a director required for appointment. It ensures a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

dated April 29, 2022. This policy, inter alia, provides (a) Set criteria for determination of qualification, positive attributes and independence of a director required for appointment; (b) Identification and evaluation criteria for the directors, key managerial personnel and senior management personnel of the Company; and (c) Ensure that remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration paid to the Directors and Senior Managerial Personnel is in conformity with the Nomination and Compensation Policy of the Company. During the year, the Company has renamed the name of the "Nomination and Remuneration Policy" to "Nomination and Compensation Policy" and carried out amendment in the said policy. The Policy can be accessed at the website of the Company [Nomination and Compensation Policy](#).

- a. Need-based Appointment: Directors are appointed based on the specific needs identified by the Board, with clearly defined roles, duties, and committee memberships.
- b. Balanced Skill Set: Selection criteria focus on ensuring a balance of skills, experience, and knowledge among directors to enable effective discharge of the Board's functions and duties.
- c. Compliance and Independence: Independent Directors

# Directors' Report

are appointed in accordance with legal and regulatory requirements, including approval by shareholders and adherence to code of conduct, ensuring their independence.

- d. Familiarization Process: New directors undergo a familiarization process conducted by the MD & CEO and CFO, which includes an introduction to the company's values, culture, key personnel, and strategic vision.
- e. Performance Evaluation: Criteria for the selection and performance evaluation of directors, SMP, and KMP are based on industry experience, leadership qualities, and subject matter expertise, with roles and responsibilities clearly defined.
- f. Transparent Compensation Framework: The compensation framework for directors, including independent directors, SMP, and KMP, is transparent and designed to attract, retain, and motivate qualified individuals, with sitting fees, reimbursement of expenses, and commissions tied to company profits.
- g. NRC Oversight: The Nomination and Remuneration Committee ("**NRC**") plays a crucial role in recommending candidates for director positions and overseeing the compensation structure, ensuring fairness and alignment with company objectives.

The Company pays sitting fees of ₹1,00,000 per meeting to its Non-Executive Independent Directors for attending Board and Committee Meetings. The Company also pays commission to the Non-Executive Independent Directors within the ceiling of 1 percent of the net profits of the

## Composition:

The CSR and ESG Committee was formed in accordance with Section 135 of the Companies Act, 2013. The Chairperson of the Committee is an Independent Director.

The members of the CSR and ESG Committee as on March 31, 2024 were:

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

Company as computed under Section 198 of the Companies Act, 2013, with the approval of the Board and Shareholders. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Independent Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as their expertise and experience for facilitating the efficient decision making. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

## CSR AND ESG COMMITTEE:

The CSR and ESG Committee has been constituted by the Board of Directors with powers, inter alia, to make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through an executing agency or other Not for Profit Agency with minimum three years proven track record or other reputed Non-Governmental Organisation, of at least two percent of the Company's average net profits during the three immediately preceding financial years in pursuance of its CSR Policy for the Company's CSR initiatives. During the year, considering the growing significance of Environment, Social and Governance matters and to enable your Company to abide by the ESG principles, processes, practices, and activities that establish the Company as a pioneer of ESG Reporting, the Board of Directors has renamed the name of the Committee from "Corporate Social Responsibility Committee ("**CSR**") to "CSR and ESG Committee" with effect from May 2, 2023.

# Directors' Report

## Terms of reference:

- To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;
- To recommend the amount of expenditure to be incurred on the CSR activities, which is to be at least 2% of the average profit of the Company in the three immediately preceding financial years;
- To monitor the CSR Policy and its implementation by the Company from time to time;
- To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder;
- To formulate the strategy for Environment, Social and Governance (“ESG”) Initiatives and monitor its implementation from time to time; and
- To review, monitor and assess the progress and reporting of ESG framework and principles.

## CSR and ESG Meetings, Attendance and Quorum:

During the year under review, the Committee met 3 times i.e., May 01, 2023, January 08, 2024 and March 01, 2024. The required quorum was present at the meetings. The details of participation of members and the sitting fees paid is as follows:

Names of Directors	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Geeta Dutta Goel <sup>#</sup>	3	3	100%	Nil
Ms. Sucharita Mukherjee	3	2	66.67%	200,000/-
Mr. Manoj Viswanathan	3	3	100%	Nil

*Leave of absence was granted to the concerned member who could not attend the meeting.*

*<sup>#</sup> Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.*

During the year, your Company has amended the CSR Policy to bring in line with the provisions of the Act. The composition of the CSR and ESG Committee, the CSR Policy and projects approved by the Board are available on the website of the Company and can be accessed at [CSR Policy](#).

## STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The Stakeholders Relationship Committee has been constituted to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders, in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI Listing Regulations. At present the Committee comprises of 3 (three) Directors. Ms. Sucharita Mukherjee is the Chairperson of the Committee. Mr. Shreyans Bachhawat, Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

## Composition:

The members of the Stakeholders Relationship Committee as on March 31, 2024 were:

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

# Directors' Report

## Terms of reference:

- Consider and resolve grievances of security holders (includes shareholders, debenture holders or any other security holder) of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- Approval of transfer or transmission of shares, debentures or any other securities;
- To authorize affixation of common seal of the Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Carrying out any other functions contained in the Companies Act, 2013, the SEBI Listing Regulations and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

## SRC Meeting, Attendance and Quorum:

During the year under review, the Committee met twice i.e. on April 26, 2023 and October 17, 2023. The required quorum was present at the meetings. The details of participation of members and the sitting fees paid is as follows:

Names of Directors	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Ms. Sucharita Mukherjee	2	1	50%	1,00,000/-
Mr. Maninder Singh Juneja	2	2	100%	Nil
Mr. Manoj Viswanathan	2	2	100%	Nil

The primary function of the Stakeholders Relationship Committee is to consider and resolve various aspect of interest of the security holders of the Company. The equity shares and debentures issued by the Company are in

dematerialized form. Kfin Technologies Limited has been appointed by the Company as the Registrar and Share Transfer Agent of the Company. The services rendered by the RTA meets the service standards as adopted by the Company.

# Directors' Report

During the period under review, below mentioned shareholder complaints were received during the FY24:

Sr. No	Nature of Complaint	Complaints received during the year	Complaints not solved to the satisfaction of shareholders	Pending complaints as on Mar'24
1.	Non-receipt of Annual Report	0	0	0
2.	Non-receipt of Dividend warrant/ Dividend declared	2	0	0
3.	Non-receipt of securities after transfer	0	0	0
4.	Complaint received through SEBI	0	0	0
5.	Investor Complaints Queries/requests received directly by the Company	2	0	0
	<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>

## Risk Management Committee:

The Risk Management Committee has been constituted in accordance with Regulation 21 read with Part D Schedule II of the SEBI Listing Regulations and the Master Direction- NBFC – HFC (Reserve Bank) Directions, 2021.

The Committee's role and responsibility have been defined by the Board of Directors, and it has been delegated the role of monitoring and reviewing the risk management plan, as well as other functions, which specifically includes cyber security. Further, Mr. Ashishkumar Darji has been appointed as the Chief Risk Officer of the Company.

## Composition:

The members of the Risk Management Committee as on March 31, 2024 were:

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

# Directors' Report

## The terms of reference of the Committee, inter-alia, includes:

- To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## RMC Meetings, Attendance and Quorum:

During the year under review, the Risk Management Committee met four times i.e. on April 26, 2023, August 04, 2023, October 17, 2023, and February 15, 2024. The gap between any meetings did not exceed one hundred and eighty days on a continuous basis. The required quorum was present at all the above meetings. The details of participation of members and the sitting fees paid is as follows:

Names of Directors/ Members	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Mr. Maninder Singh Juneja	4	3	75%	NA
Ms. Sucharita Mukherjee	4	2	50%	2,00,000/-
Mr. Narendra Ostawal	4	4	100%	NA
Mr. Manoj Viswanathan	4	4	100%	NA
Mr. Ajay Khetan	4	3	75%	NA
Ms. Nutan Gaba Patwari	4	4	100%	NA
Mr. Ashish Kumar Darji	4	4	100%	NA

## Information Technology (“IT”) Strategy Committee:

During the financial year, pursuant to Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, the composition of the IT Strategy Committee was reconstituted by the Board with effect from January 18, 2024. The Committee shall work in partnership with other Board committees and Senior Management to provide inputs to them. It shall also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

# Directors' Report

## Composition<sup>1</sup>:

The members of the IT Strategy Committee as on March 31, 2024 were:

Sr No	Name	Category	Designation
1.	Mr. Anuj Srivastava	Non-Executive, Independent Director	Chairman
2.	Mr. Maninder Singh Juneja <sup>2</sup>	Non-Executive, Nominee Director	Member
3.	Mr. Manoj Viswanathan	MD & CEO	Member
4.	Mr. Ajay Khetan	Chief Business Officer	Member

1. Ms. Nutan Gaba Patwari, Mr. Gaurav Mohta, Ms. Vilasini Subramaniam and Mr. Devendra Mani ceased to be the member of the Committee w.e.f. January 18, 2024

2. Mr. Maninder Singh Juneja was appointed as member of the Committee with effect from January 18, 2024.

## The terms of reference of the Committee are as follows:

- To ensure that management has an effective IT strategic planning process, guide in preparation of IT Strategy and ensure that it is aligned with the Business strategy;
- To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining organization's growth and within the acceptable budget;
- To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- To oversee implementation of processes and practices and ensuring that maximum value is delivered to business;
- To approve IT strategy and policy documents;
- To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance;
- To ensure that there is an appropriate framework of information IT and security risk assessment within the organization and for managing IT and cybersecurity risks;
- To ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions;
- To ensure that a comprehensive risk assessment of Homefirst's IT systems and adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company is carried out on a yearly basis;
- To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- To satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organisation.

# Directors' Report

## IT Strategy Committee Meetings, Attendance and Quorum:

During the year under review the committee met 2 times on August 25, 2023 and February 15, 2024. The required quorum was present in all the meetings.

Names of Directors/ Members	Number of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended	Sitting Fees paid (in ₹)
Mr. Anuj Srivastava	2	2	100%	2,00,000/-
Mr. Maninder Singh Juneja <sup>1</sup>	1	1	100%	Nil
Mr. Manoj Viswanathan	2	2	100%	Nil
Mr. Ajay Khetan	2	2	100%	Nil
Ms. Nutan Gaba Patwari <sup>2</sup>	1	-	-	Nil
Mr. Gaurav Mohta <sup>2</sup>	1	1	100%	Nil
Ms. Vilasini Subramaniam <sup>2</sup>	1	1	100%	Nil
Mr. Devendra Mani <sup>2</sup>	1	1	100%	Nil

1. Mr. Maninder Singh Juneja was appointed as member of the Committee with effect from January 18, 2024.

2. Ms. Nutan Gaba Patwari, Mr. Gaurav Mohta, Ms. Vilasini Subramaniam and Mr. Devendra Mani ceased to be the member of the Committee w.e.f. January 18, 2024

## Remuneration of Directors:

The remuneration paid to the Directors of the Company is in accordance with the applicable provision of the Act, the SEBI Listing Regulations and in line with the Nomination and compensation policy of the Company.

The details of remuneration of Directors are provided in Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at [Annual Return](#).

### a. Pecuniary relationship and/or transactions of the Non-Executive Directors with the listed entity:

During the financial year under review, there were no pecuniary relationships or transactions of the Non-Executive Directors with the Company, apart from remuneration paid by way of commission and sitting fees to the Independent Directors.

The remuneration for non-executive directors consists of sitting fees and commission. The criteria for payment of the annual commission to non-executive directors is based on the performance of the Company as well as that of the individual non-executive director. The commission payable to non-executive directors was recommended by Nomination and Remuneration Committee and approved by the Board and is within the overall limits as approved by the shareholders of the Company. However, the Nominee Directors were not paid remuneration in FY24. No shares or convertible instruments are held by the Non-Executive Directors.

# Directors' Report

The details of remuneration paid to Non-Executive Directors is as hereunder:

Names of Directors	Fee for attending Board /Committee Meetings (in ₹)	Commission (in ₹)	Other	Total (in ₹)
<b>Independent Directors</b>				
Mr. Deepak Satwalekar	5,00,000/-	26,62,000/-	-	31,62,000
Ms. Geeta Dutta Goel <sup>#</sup>	-	-	-	-
Mr. Anuj Srivastava	7,00,000/-	13,10,000/-	-	20,10,000
Ms. Sucharita Mukherjee	13,00,000/-	14,10,000/-	-	27,10,000
<b>Other Non-Executive Directors</b>				
Mr. Maninder Singh Juneja	-	-	-	-
Mr. Divya Sehgal	-	-	-	-
Mr. Narendra Ostawal	-	-	-	-
<b>Total</b>	<b>25,00,000</b>	<b>53,82,000</b>	-	<b>78,82,000</b>

<sup>#</sup>Ms. Geeta Dutta Goel vide her letter dated April 5, 2023 had expressed her intention to not draw remuneration in any form for FY24.

## Remuneration of Managing Director & Chief Executive Officer ('MD & CEO'):

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

## Details of remuneration paid to Mr. Manoj Viswanathan, MD & CEO, for FY24:

Sl. No.	Particulars of Remuneration	Total Amount (in ₹)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,27,71,012/-
2.	Sweat Equity	-
3.	Commission - as % of profit - others, specify	-
4.	Others, please specify One-time Bonus Performance Linked Incentive	1,06,00,000/-
	<b>Total</b>	<b>2,33,71,012/-</b>
5.	Numbers Stock Options exercised during the FY24	10,000

# Directors' Report

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## **b. Criteria for making payments to Non-Executive Directors:**

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also oversee the corporate governance framework of the Company. The criteria of making payments to non-executive directors are placed on the Company's website and can be accessed at [Nomination and Compensation Policy](#).

## **Dividend Distribution Policy:**

The Company has in place the Dividend Distribution Policy, duly approved by the Board of Directors. The same is available on the website of the Company and can be accessed at [Dividend Distribution Policy](#).

## **Internal Guidelines on Corporate Governance:**

Your Company has a duly formulated Internal Guidelines on Corporate Governance in accordance with RBI Directions, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various stakeholders and lays down the Corporate Governance practices of the Company. The said policy is available on the website of the Company at [Internal Guidelines on Corporate Governance](#).

## **Code of Conduct for the Board of Directors and the Senior Management Personnel:**

Pursuant to Regulation 17(5) of SEBI Listing Regulations, the Company has adopted Code of Conduct applicable to the Board of Directors and the Senior Management Personnel ('Code'). The Code provides guidance to the Board of Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Schedule V (D) of the SEBI Listing Regulations. The Company has also received declaration from MD & CEO confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the financial year ended Mar'24 as attached with this Report. The said code is hosted on the website at [Code of Conduct for Directors and Senior Managerial Personnel](#).

## **Related Party Transactions Policy:**

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Act and Regulation 23 of the SEBI Listing Regulations, which specify the manner of entering into Related Party Transactions ("RPT"). Details of related party transactions entered by the Company in the ordinary course of its business are included in the notes forming part of the financial statements. The Company did not enter into any material related party transaction during the FY24. During the year under review, all RPTs were placed before the Audit Committee for its approval (including omnibus approval), as required under Section 177 of the Act and Regulation 23 of the SEBI Listing Regulations. No materially significant related party transactions were entered into during the FY24 that may have potential conflict with interests of the listed entity at large.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions has been hosted on the website of the Company in accordance with the provisions of the SEBI Listing Regulations and the RBI master directions for housing finance companies and can be accessed at the web-link at [Policy on materiality of Related Party Transactions and dealing with Related Party Transactions](#).

## **Details of establishment of Vigil Mechanism and Whistle Blower Policy:**

The Vigil Mechanism as envisaged in the Act and the Rules made thereunder and the SEBI Listing Regulations is implemented through the Whistle Blower Policy. This policy provides for adequate safeguards against victimization of persons who use such mechanism and provides direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It enables reporting illegal or unethical behaviour, actual or suspected fraud(s) or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity. None of the personnel have been denied access to the Audit Committee.

The policy is placed on the website of the Company and can be accessed at [Vigil Mechanism and Whistle Blower Policy](#).

# Directors' Report

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

In compliance of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading in the shares of the Company, which inter alia, prohibits trading in shares of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company and in order to ensure uniform dissemination of unpublished price sensitive information. The Board of Directors had adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which is available on the website of the Company and can be accessed at [Code of practices and procedures of fair disclosure of UPSI](#).

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

Your Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on

prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**") and the rules framed thereunder. The Company has complied with the formation of the Internal Complaints Committee as prescribed under the Companies Act, 2013.

Pursuant to the POSH Act, the details of the total reported and closed cases pertaining to incidents under the above framework/ law are as follows:

Number of cases filed during the financial year: **Nil**

Number of cases disposed during the financial year: **Nil**

Numbers of cases pending as on March 31, 2024: **Nil**

## Penalties:

There were no instances of non-compliances, penalty levied or strictures imposed on the Company by the Stock Exchanges, or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

## GENERAL BODY MEETINGS:

### Details of Annual General Meetings:

The details of the location and time of the last three Annual General Meetings is given below:

For Financial Year	Location/Venue	Date	Time
FY23	Through Video Conferencing ("VC")/ Other Audio-Visual Means	June 08, 2023	11:00 A.M.
FY22	Through Video Conferencing ("VC")/ Other Audio-Visual Means	June 10, 2022	2:00 P.M.
FY21	Through Video Conferencing ("VC")/ Other Audio-Visual Means	August 5, 2021	11:00 A.M.

# Directors' Report

Special Resolutions passed at the three previous Annual General Meetings:

For Financial Year Ended	Special Resolutions passed at the three previous Annual General Meetings
FY23	a. Approve the continuation of Directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN:00009627) beyond the age of 75 years in his current tenure. b. Approve the re-appointment of Mr. Manoj Viswanathan (DIN:01741612) as Managing Director & CEO (" <b>MD &amp; CEO</b> ") of the Company and fixation of remuneration thereof. c. Approve the increase in borrowing powers in excess of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013. d. Approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013. e. Approve the alteration of Articles of Association.
FY22	a. Approve the increase in borrowing powers in excess of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013. b. Approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013.
FY21	a. Ratification of the ESOP 2012 Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations 2014. b. Ratification of the ESOP II Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations 2014. c. Consideration and approval of Article 18.1 to 18.12 of the Articles of Association of the Company.

## Postal Ballot:

During the year under review, the Company sought approval of the Members by means of Postal Ballot conducted through Remote e-voting process which was duly passed with requisite majority. The business along with the details of voting pattern of the Special Resolution is as follows:

Sr. No.	Subject Matter of the Resolution	Number of Valid Votes casted	Number of Votes in favor of the Resolution	Number of Votes against the Resolution
Postal Ballot Voting Results as on December 07, 2023				
1	Approval for the alteration of the object clause of the Memorandum of Association of the Company	7,30,47,484	7,30,47,170 (99.9996%)	314 (0.0004%)

# Directors' Report

Mr. Aashish K. Bhatt, Designated Partner of M/s Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries (Membership No: 19639 and Certificate of Practice no. 7023) was appointed as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner. No other Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

## Procedure for Postal Ballot:

Pursuant to and in compliance with the provisions of Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No.17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, the General Circular No. 10/2021 dated June 23, 2021, the General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, the General Circular No. 11/2022 dated December 28, 2022 and the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and as amended from time to time), and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder, the Company had issued Postal Ballot Notice dated November 07, 2023 to the Members, seeking their consent with respect to

### 1) Alteration of the Object clause of the Memorandum of Association of the Company:

The Board of Directors had appointed Mr. Aashish K. Bhatt, Designated Partner of M/s Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries (Membership No: 19639 and Certificate of Practice no. 7023) as the Scrutinizer for conducting the Postal Ballot.

The Company engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically.

The voting period commenced on Wednesday, November 08, 2023 at 9:00 a.m. and ended on Thursday, December 07, 2023 at 5:00 p.m.

The cutoff date, for the purpose of determining the number of Members was Friday, November 03, 2023. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the act and rules framed thereunder. The Scrutiniser, after the completion of scrutiny, submitted his report to Mr. Shreyans Bachhawat, Company Secretary, who was duly authorised by the Chairman to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The voting results were announced on December 07, 2023. The results were also displayed on the website of the Company at [www.homefirstindia.com](http://www.homefirstindia.com) and also intimated to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and on the website of the e-voting agency (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## Means of Communication:

The Company publishes financial results on a quarterly basis in accordance with the applicable provisions of the SEBI Listing regulations, which are duly examined by the Audit Committee prior to submission to the Board and submission to the stock exchanges. Key Financial Data is published in English Newspaper - Mint and Regional (Marathi) newspaper-Navshakti or Prathakal and the same are also hosted on the website of the Company.

The MD & CEO, Chief Financial Officer and Head - Investor Relations attend conference calls with investors and analysts on a quarterly basis.

All disclosures as required under the SEBI Listing Regulations are made to respective Stock Exchanges where the securities of the Company are listed.

# Directors' Report

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statements.

The Company also communicates with its shareholder through its website, [www.homefirstindia.com](http://www.homefirstindia.com). Under the section "**Investor Relations**", all material public information is available including financial results, various policies framed/approved by the Board, presentations made to the media, analysts and institutional investors, schedule and

transcripts of earnings call with investors, official news releases, matters concerning the shareholders and details of the contact persons, etc.

Investor complaints are processed at SEBI in a centralized web-based complaints redress system i.e. SEBI Complaints Redress System (SCORES). The Company has also facilitated online resolution of all kinds of disputes arising in the Indian Securities Market through the Online Dispute Resolution ("**ODR**") Portal.

## General Shareholder Information:

### Corporate Information:

Incorporation Date	February 3, 2010
Registered Office Address	511, Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059
Corporate Identification Number (CIN)	L65990MH2010PLC240703
Date, time and Venue of the Annual General Meeting	Date: June 20, 2024 Time: 12:00 Noon Venue: Video Conferencing/ Other Audio Visual Means
Financial year	April 1, 2023 to March 31, 2024
Record Date	As mentioned in the Notice of this AGM
Dividend Payment Date	The final dividend, if approved, shall be paid/credited on or before Friday, July 19, 2024
Name and Address of Stock Exchange	The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).  NSE: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel Nos: 022-26598100-114 Fax Nos.: 022-26598120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>  BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel.Nos.:022-22721233 / 22721234 Fax Nos.: 022-22721919 Website: <a href="http://www.bseindia.com">www.bseindia.com</a>
Stock Code	NSE: HOMEFIRST BSE: 543259

# Directors' Report

Payment of Listing Fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE where its equity shares are listed.
International Securities Identification Number (ISIN)	INE481N01025
Registrar & Share Transfer Agent	<p><b>KFin Technologies Limited</b> (formerly known as KFin Technologies Private Limited)</p> <p>Selenium Tower-B Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telangana, India. Tel: +91 40 6716 2222</p>
In Case securities are suspended from trading, the directors report shall explain the reason thereof	Not Applicable
Share Transfer System	The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. An annual certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.
Dematerialization of shares and liquidity	As on March 31, 2024, 100 % of the total equity capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are regularly traded on BSE and NSE.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
Plant Locations	The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

# Directors' Report

Address for correspondence	<p><b>Kfin Technologies Limited</b> (formerly known as KFin Technologies Private Limited) Selenium Tower-B Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telangana, India Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a></p> <p><b>Company Secretary &amp; Compliance Officer</b> Home First Finance Company India Limited 511, Acme Plaza, Andheri Kurla Road, Mumbai 400 059. Email- <a href="mailto:corporate@homefirstindia.com">corporate@homefirstindia.com</a></p>
Commodity price risk or foreign exchange risk and commodity hedging activities	The Company does not have any unhedged foreign currency risk..

## Stock Price Data:

The reported high and low closing prices of equity shares (in ₹) of the Company traded on NSE and BSE during the period under review are set out in the following table:

Month	BSE		NSE	
	High	Low	High	Low
April 2023	742.45	688.05	739.85	688.20
May 2023	737.50	685.90	738.00	686.00
June 2023	847.30	717.75	848.20	715.70
July 2023	889.95	771.60	890.00	771.00
August 2023	920.00	812.10	922.00	812.05
September 2023	877.45	807.05	879.80	806.35
October 2023	980.00	805.00	984.80	804.25
November 2023	970.10	848.00	975.80	847.35
December 2023	1,055.00	895.35	1,058.00	889.10
January 2024	1,058.80	921.40	1,061.00	921.15
February 2024	1,010.85	864	1,011.00	863.25
March 2024	944.10	805.50	922.00	811.55

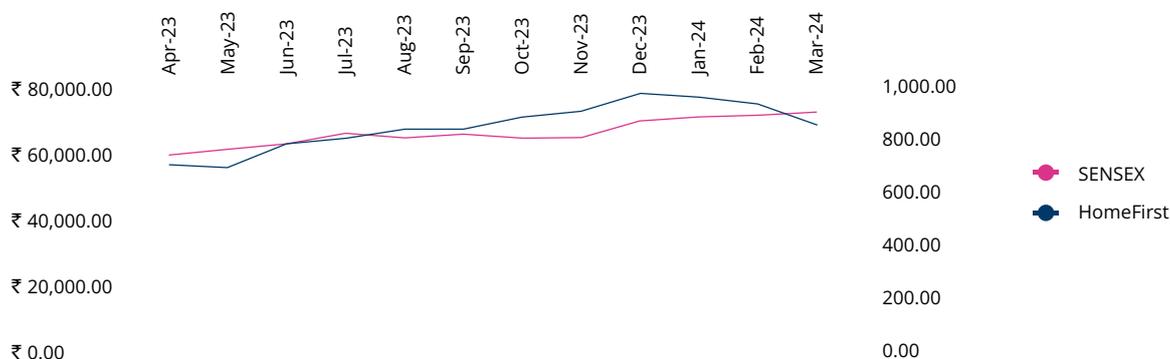
[Source: This information is compiled from the data available on the websites of NSE and BSE]

# Directors' Report

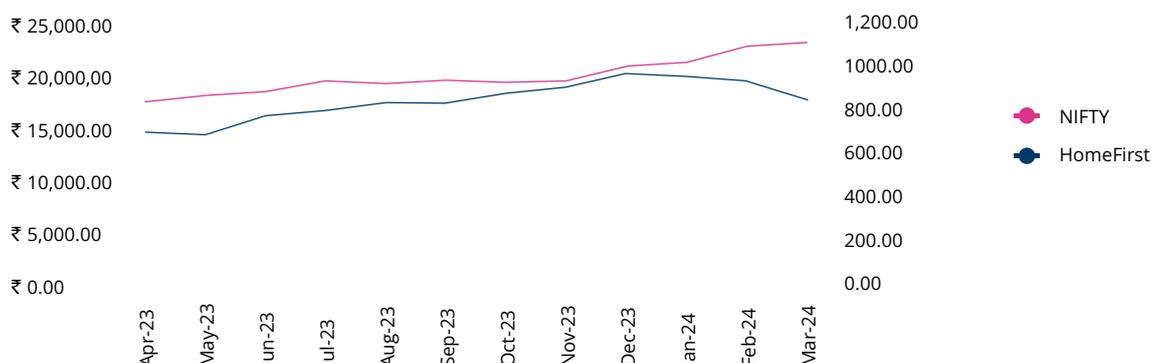
Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Home First	SENSEX	Home First	NIFTY
April 2023	711.79	60011.70	712.18	17710.68
May 2023	703.03	61921.88	702.90	18307.05
June 2023	787.34	63134.73	787.36	18726.77
July 2023	811.59	66110.14	812.25	19586.00
August 2023	845.44	65400.85	845.77	19438.29
September 2023	843.75	66438.75	843.80	19786.05
October 2023	892.61	65307.98	892.40	19481.67
November 2023	916.70	65426.55	917.10	19599.17
December 2023	984.53	70448.11	984.94	21165.99
January 2024	965.73	71695.45	966.38	21631.89
February 2024	943.22	72235.27	943.85	23044.64
March 2024	865.49	73200.05	865.89	23419.94

## HomeFirst Vs Sensex



## HomeFirst Vs Nifty



# Directors' Report

## Distribution of Shareholding as on March 31, 2024:

Sr. No.	Category (Shares)	No. of Holders*	% to Holders	No. of Shares	% to Equity
1.	1 - 5000	77,061	99.11	67,87,841	7.7
2.	5001 - 10000	296	0.38	10,39,482	1.2
3.	10001 - 20000	147	0.19	10,11,072	1.1
4.	20001 - 30000	48	0.06	6,08,883	0.7
5.	30001 - 40000	32	0.04	5,63,626	0.6
6.	40001 - 50000	17	0.02	3,79,533	0.4
7.	50001 - 100000	35	0.05	12,82,383	1.5
8.	100001 and above	115	0.15	7,68,43,347	86.8
	<b>Total</b>	<b>77,751</b>	<b>100.00</b>	<b>8,85,16,167</b>	<b>100.00</b>

\*Distribution of shareholding is considered without PAN grouping

## Shareholding Pattern as on March 31, 2024:

Sr no	Description	Holders	Total Shares	% Equity
1.	Promoters	1	1,25,47,690	14.2
2.	Foreign Promoters	1	83,03,935	9.4
3.	Mutual Funds	19	85,17,702	9.6
4.	Alternative Investment Fund	9	13,73,115	1.6
5.	Qualified Institutional Buyer	7	5,96,200	0.7
6.	Foreign Portfolio - Corp	127	2,21,74,863	25.1
7.	Directors	1	8,03,383	0.9
8.	Key Management Personnel	2	1,09,486	0.1
9.	Employees	70	5,10,410	0.6
10.	Resident Individuals	72,226	92,67,900	10.5
11.	Foreign Institutional Investors	1	34,744	0.0
12.	Non-Resident Indian Non Repatriable	761	3,28,015	0.4
13.	Non-Resident Indians	1,209	5,92,098	0.7
14.	Foreign Corporate Bodies	1	2,04,22,269	23.1
15.	Bodies Corporates	423	26,73,559	3.0
16.	Clearing Members	5	17,723	0.0
17.	Trusts	4	2,410	0.0
18.	H U F	1,656	2,40,498	0.3
19.	NBFC	3	167	0.0
	<b>Total</b>	<b>76,526</b>	<b>8,85,16,167</b>	<b>100.00</b>

# Directors' Report

## Credit Ratings:

The Company's financial discipline and prudence is reflected in the credit ratings assigned by Credit Rating Agencies as under:

Instrument	Rating Agency	Rating	Outlook	Amount
Term Loan	ICRA	AA-	Stable	4,500 Cr
	India Ratings	AA-	Positive	3,300 Cr
	CARE	AA-	Stable	514 Cr
Commercial Paper	ICRA	A1+	-	100 Cr
	India Ratings	A1+	-	100 Cr
Non-Convertible Debentures	ICRA	AA-	Stable	561 Cr
	India Ratings	AA-	Positive	400 Cr

During the FY24, India Ratings and Research Private Limited ("**India Ratings**") reaffirmed the rating i.e. IND AA - and has revised the outlook from stable to positive.

During the year under review, MorningStar's Sustainalytics has reaffirmed the ESG risk rating of 16.2 with Low risk for ESG risk management issued by them in the previous year. Further, S&P Global, ESG score provider has assigned ESG score of 34 to the Company.

### Details of utilization of funds raised through preferential allotment or qualified institutional placement:

During the year under review, your Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Regulation 32 (7A) of the SEBI Listing Regulations.

### Certification from Practicing Company Secretary (PCS):

A certificate issued by Aashish K Bhatt, (ICSI Membership No. ACS 19639), Designated Partner of Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that none of the Directors on the Board of the Company as on Mar'24, has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority.

The same forms part of this Annual Report as an annexure to the Directors' Report.

### Accounting Standards:

The Company has followed Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

### Certification on Corporate Governance:

As required under the SEBI Listing Regulations, certificate issued by Mr. Aashish K. Bhatt (Membership No. ACS 19639), Designated Partner certifying of Bhatt & Associates Company Secretaries LLP, certifying that the Company has complied with the conditions of Corporate Governance as stipulated by SEBI Listing Regulations. The said certificate forms part of the Annual Report as an Annexure to the Directors Report.

### Due dates for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Sections 124 and 125 of the Act, rules made thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amounts of dividend / deposits remaining unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to IEPF as constituted by the Central Government.

# Directors' Report

The last date for claiming dividend declared for the current financial year are given below:

Financial Year	Type of dividend	Date of declaration	Last date for claiming unpaid dividend
2023-24	Final	June 8, 2023	July 8, 2030

## Directors and Officers (D&O) Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company has taken a D&O Liability Insurance policy on behalf of all Directors including Independent Directors and Key Managerial Personnel of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

## Chief Executive Officer and Chief Financial Officer certification:

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the MD & CEO and the Chief Financial Officer of the Company have made a certification to the Board of Directors, in the prescribed format for the year under review. The same has been reviewed and taken on record by the Board of Directors.

## Details of non-acceptance of any recommendation of any committee of the board which is mandatorily required:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

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

The total fees for all services paid by Company, on a consolidated basis, to M/s Deloitte Haskins & Sells (Firm Registration No.: 117365W), Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, as included in the Financial Statements of the Company for the year ended on March 31, 2024, are as follows:

Particulars	Amount ( ₹in million)
Fees for audit and related services paid to M/s. Deloitte Haskins & Sells & Affiliates firms and to entities of the network of which the statutory auditor is a part.	4.55
Other fees paid to M/s. Deloitte Haskins & Sells & Affiliates firms and to entities of the network of which the statutory auditor is a part.	1.78
<b>Total</b>	<b>6.33</b>

## Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

## Compliance with mandatory requirements and adoption of the non-mandatory requirements of Corporate Governance:

During the year under review, your Company has complied with all the mandatory requirements of SEBI Listing

Regulations. In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

The Company has also adopted certain voluntary compliance requirements as outlined in the Act, SEBI Listing Regulations and other applicable acts, rules, regulations & guidelines. As per the discretionary requirements specified in Schedule II, Part E of the SEBI Listing Regulations, the Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer.

# Directors' Report

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## **Disclosure of certain types of agreements binding Listed Entities under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations:**

The Shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company have not entered any agreement among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

### **For and on behalf of the Board of Directors**

**Sd/-**  
**Deepak Satwalekar**  
**Chairman & Independent Director**  
**DIN: 00009627**

## **Statutory and Regulatory Compliance:**

The Company has followed all applicable directions, guidelines and circulars issued by Reserve Bank of India from time to time. The Company also has been following directions / guidelines / circulars issued by Income Tax Act, 1961, Securities and Exchange Board of India and Ministry of Corporate Affairs from time to time, or any other regulatory body as applicable to the Company.

**Sd/-**  
**Manoj Viswanathan**  
**Managing Director & CEO**  
**DIN: 01741612**

# Directors' Report

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## **Declaration on Compliance with the Company's Code of Conduct for Board of Directors and Senior Management Personnel**

I, Manoj Viswanathan (Managing Director & CEO), hereby confirm and declare that in terms of Regulation 26(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel for the FY24.

### **For and on behalf of the Board of Directors**

Sd/-

**Manoj Viswanathan**  
**Managing Director & CEO**  
**DIN: 01741612**  
**Date: May 08, 2024**  
**Place: Mumbai**

# Directors' Report

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of**  
**Home First Finance Company India Limited,**  
511, Acme Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai - 400059.

We have examined the compliance of conditions of Corporate Governance by Home First Finance Company India Limited ('the Company') for the year ended March 31, 2024, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI Listing Regulations, 2015**") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 1, 2023 to March 31, 2024.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable or for any other purpose.

**For Bhatt & Associates Company Secretaries LLP**

**Sd/-**  
**Aashish K. Bhatt**  
**Designated Partner**  
**ACS No.: 19639, COP No. 7023**  
**UDIN: A019639F000333359**  
**Peer Review Certificate No.: 2959/2023**

**Place: Mumbai**  
**Date: 08.05.2024**

# Directors' Report

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**Home First Finance Company India Limited,**  
 511, Acme Plaza, Andheri Kurla Road,  
 Andheri (East), Mumbai - 400059.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Home First Finance Company India Limited** having CIN L65990MH2010PLC240703 and having registered office 511, Acme Plaza Andheri Kurla Road, Andheri (East), Mumbai - 400059 (hereinafter referred to as "**the Company**"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Deepak Satwalekar	00009627	23.10.2019
2.	Ms. Geeta Dutta Goel	02277155	01.11.2021
3.	Mr. Anuj Srivastava	09369327	01.11.2021
4.	Ms. Sucharita Mukherjee	02569078	01.02.2022
5.	Mr. Maninder Singh Juneja	02680016	26.05.2017
6.	Mr. Divya Sehgal	01775308	10.06.2017
7.	Mr. Narendra Ostawal	06530414	15.10.2020
8.	Mr. Manoj Viswanathan	01741612	28.06.2010

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Bhatt & Associates Company Secretaries LLP**

Sd/-  
**Aashish K. Bhatt**  
**Designated Partner**  
**ACS No.: 19639, COP No. 7023**  
**UDIN: A019639F000333194**  
**Peer Review Certificate No.: 2959/2023**

**Date: 08.05.2024**  
**Place: Mumbai**

# Directors' Report

## CEO AND CFO CERTIFICATION

(Under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,  
The Board of Directors,  
Home First Finance Company India Limited,**

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of **Home First Finance Company India Limited ("the Company")**, to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have

evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and the Audit Committee that:
- There were no significant changes in internal control over financial reporting during the year;
  - There were no significant changes in accounting policies during the year and that are required to be disclosed in the notes to the financial statements; and
  - There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Home First Finance Company India Limited**

**Sd/-  
Manoj Viswanathan  
Managing Director & CEO  
DIN: 01741612**

**Sd/-  
Ms. Nutan Gaba Patwari  
Chief Financial Officer**

**Date: May 08, 2024  
Place: Mumbai**

# Directors' Report

## Annexure IV

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY24

#### 1. Brief outline on CSR policy of the Company:

Home First Finance Company India Limited (“**Home First**”/ “**Company**”) believes in integrating its business model with the social welfare of people and society. The Company strives to become an asset in the communities where it operates, through constant and collaborative interactions with external stakeholders.

The Company's policy on Corporate Social Responsibility (“**CSR**”) sets out a statement containing the approach and direction given by the Board of Directors after considering the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. The Policy on CSR encompasses our philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

We respect the interests of and are responsive towards all our stakeholders. Our CSR policy provides for constitution of a CSR Committee, an implementation strategy which include identification of CSR projects, setting measurable targets, organizational mechanism and responsibilities, time schedule, execution and monitoring.

The CSR Policy aligns with the activities to be undertaken by the company as specified in Section 135 of Companies Act, 2013 (“**Act**”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of Act.

#### 2. Composition and Meetings of CSR and ESG Committee\*:

The members of the CSR and ESG Committee as at March 2024 were:

Sr. No.	Name	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Geeta Dutta Goel	Chairperson/ Independent Director	3	3
2.	Ms. Sucharita Mukherjee	Member/ Independent Director	3	2
3.	Mr. Manoj Viswanathan	Member/ Managing Director & Chief Executive Officer	3	3

#### Our CSR Thrust Areas:

Your Company has identified CSR thrust areas for undertaking CSR activities in India. Your Company gives preference to the areas around which the Company operates and the areas with identified needs for CSR spending. The brief description of the CSR thrust areas is as under:

**a. Health:** Eradicating hunger, poverty, malnutrition, promoting health care including preventive healthcare, sanitation (including construction of toilets) and availability of safe drinking water.

**b. Skilling and Employment:** Enhancing the employability of groups such as youth, women, vocational training, soft skills development, and entrepreneurship training tailored to local needs.

**c. Education and Development:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

**d. Financial literacy:** Promoting awareness and digital literacy among students and parents, Building Student understanding of money, stressing the importance of saving, and instilling future planning skills.

**e. Environment:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources.

# Directors' Report

\*During the year, considering the growing significance of Environment, Social and Governance matters and to enable your Company to abide by the ESG principles, processes, practices, and activities that establish the Company as a pioneer of ESG Reporting, the Board of Directors has renamed the name of the Committee from Corporate Social Responsibility Committee to "CSR and ESG Committee with effect from May 2, 2023.

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved are disclosed on the website of the company:

The Composition of CSR and ESG Committee, CSR Policy and CSR Projects approved are available on the website of the Company at the following links:

- Composition of CSR and ESG Committee – [Click Here](#)
- CSR Policy - [Click Here](#)
- CSR Projects on website - [Click here](#)

### 4. Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. (a) Average net profit of the Company as per sub section (5) Section 135: ₹**21,829.98 Lakhs**  
 (b) Two percent of the average net profit of the Company as per section (5) Section 135: **The Company is required to spend ₹436.60 lakhs towards CSR.**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – **NIL**  
 (d) Amount required to be set off for the financial year, if

any- **NIL**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ **436.60 lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **424.24 lakhs**  
 (b) Amount spent in Administrative Overheads: ₹ **16 Lakhs**  
 (c) Amount spent on Impact Assessment, if applicable: **NIL**  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **440.24 Lakhs**  
 (e) CSR amount spent or unspent for the Financial Year: **NIL**  
 (f) Excess amount for set-off, if any: **NIL**
7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Not Applicable**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **Not Applicable**

For and behalf of Home First Finance Company India Limited

Sd/-  
**Manoj Viswanathan**  
 Managing Director & CEO  
 DIN: 01741612

Sd/-  
**Geeta Dutta Goel**  
 Independent Director  
 Chairperson of CSR and ESG Committee  
 DIN: 02277155

# Directors' Report

## Annexure V

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**  
**The Members,**  
**Home First Finance Company India Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Home First Finance Company India Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;
- iv. Foreign Exchange Management Act, 1999 and the rules

and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings are not applicable;

- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable;

# Directors' Report

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable.

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with the provisions of the master directions issued by Reserve Bank of India, National Housing Bank Act, 1987, Circulars, Master circulars, Notifications and Guidelines as prescribed for Housing Finance Companies.

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

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India,
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

We have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size and operations of the

Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, the Company has undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz;

- i. Board approval for payment of profit related commission to Independent Directors for Financial Year 2022-2023;
- ii. Approval for increase in remuneration of Managing Director and CEO for Financial Year 2023-2024 and performance linked incentive for Financial Year 2022-2023;
- iii. Allotment of Equity shares pursuant to exercise of options of ESOP Scheme II, ESOP 2012 and ESOP 2021 Scheme;
- iv. Adoption of various policies;
- v. Approval for Composite Corporate Agency with IRDAI for soliciting the business of life, general and health insurance;
- vi. The Company has obtained Member's approval for the following special businesses:
  - i. Declaration of final dividend;
  - ii. Continuation of directorship of Mr. Deepak Satwalekar, Chairman and Independent Director (DIN: 00009627) beyond the age of 75 years in his current tenure;
  - iii. Approval for the re-appointment of Mr. Manoj Viswanathan (DIN: 01741612) as Managing Director and CEO of the Company and fixation of remuneration thereof;
  - iv. Increase in borrowing powers in excess of Paid-up capital, Free reserves and Securities Premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013;

# Directors' Report

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- v. Creation of Charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under Section 180(1)(c) of the Companies Act, 2013;
- vi. Approval for alteration of Articles of Association;
- vii. Alteration of the Object clause of the Memorandum of Association of the Company.

## For Bhatt & Associates Company Secretaries LLP

**Sd/-**

**Aashish K. Bhatt**

**Designated Partner**

**ACS No.: 19639 COP No.:7023**

**UDIN: A019639F000332611**

**Peer review certificate no.: 2959/2023**

**Place: Mumbai**

**Date: May 08, 2024**

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

# Directors' Report

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## APPENDIX A

**To,  
The Members,  
Home First Finance Company India Limited.**

Our report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure on test basis and wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Bhatt & Associates Company Secretaries LLP**

**Sd/-**

**Aashish K. Bhatt**

**Designated Partner**

**ACS No.: 19639 COP No.:7023**

**UDIN: A019639F000332611**

**Peer review certificate no.: 2959/2023**

**Place: Mumbai**

**Date: May 08, 2024**

# Directors' Report

## Annexure VI

**Statement of Disclosure of Remuneration under section 197(12) of the Companies Act, 2013  
read with Rule 5(1) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr.No	Particulars	Details																						
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY24.	<table border="1"> <thead> <tr> <th>Name</th> <th>Ratio</th> </tr> </thead> <tbody> <tr><td>Mr. Manoj Viswanathan</td><td>34 : 1</td></tr> <tr><td>Mr. Deepak Satwalekar</td><td>5 : 1</td></tr> <tr><td>Ms. Geeta Dutta Goel</td><td>0 : 1</td></tr> <tr><td>Mr. Anuj Srivastava</td><td>3 : 1</td></tr> <tr><td>Ms. Sucharita Mukherjee</td><td>4 : 1</td></tr> <tr><td>Mr. Narendra Ostawal</td><td>0 : 1</td></tr> <tr><td>Mr. Divya Sehgal</td><td>0 : 1</td></tr> <tr><td>Mr. Maninder Singh Juneja</td><td>0 : 1</td></tr> </tbody> </table>	Name	Ratio	Mr. Manoj Viswanathan	34 : 1	Mr. Deepak Satwalekar	5 : 1	Ms. Geeta Dutta Goel	0 : 1	Mr. Anuj Srivastava	3 : 1	Ms. Sucharita Mukherjee	4 : 1	Mr. Narendra Ostawal	0 : 1	Mr. Divya Sehgal	0 : 1	Mr. Maninder Singh Juneja	0 : 1				
Name	Ratio																							
Mr. Manoj Viswanathan	34 : 1																							
Mr. Deepak Satwalekar	5 : 1																							
Ms. Geeta Dutta Goel	0 : 1																							
Mr. Anuj Srivastava	3 : 1																							
Ms. Sucharita Mukherjee	4 : 1																							
Mr. Narendra Ostawal	0 : 1																							
Mr. Divya Sehgal	0 : 1																							
Mr. Maninder Singh Juneja	0 : 1																							
2.	The percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY24.	<table border="1"> <thead> <tr> <th>Name</th> <th>Percentage (Increase/Decrease)</th> </tr> </thead> <tbody> <tr><td>Mr. Manoj Viswanathan</td><td>7%</td></tr> <tr><td>Mr. Deepak Satwalekar</td><td>12%</td></tr> <tr><td>Ms. Geeta Dutta Goel</td><td>-</td></tr> <tr><td>Mr. Anuj Srivastava</td><td>18%</td></tr> <tr><td>Ms. Sucharita Mukherjee</td><td>-3%</td></tr> <tr><td>Mr. Narendra Ostawal</td><td>-</td></tr> <tr><td>Mr. Divya Sehgal</td><td>-</td></tr> <tr><td>Mr. Maninder Singh Juneja</td><td>-</td></tr> <tr><td>Ms. Nutan Gaba Patwari</td><td>13%</td></tr> <tr><td>Mr. Shreyans Bachhawat</td><td>21%</td></tr> </tbody> </table> <p>Sitting fees paid to the Independent Directors is part of the remuneration.</p>	Name	Percentage (Increase/Decrease)	Mr. Manoj Viswanathan	7%	Mr. Deepak Satwalekar	12%	Ms. Geeta Dutta Goel	-	Mr. Anuj Srivastava	18%	Ms. Sucharita Mukherjee	-3%	Mr. Narendra Ostawal	-	Mr. Divya Sehgal	-	Mr. Maninder Singh Juneja	-	Ms. Nutan Gaba Patwari	13%	Mr. Shreyans Bachhawat	21%
Name	Percentage (Increase/Decrease)																							
Mr. Manoj Viswanathan	7%																							
Mr. Deepak Satwalekar	12%																							
Ms. Geeta Dutta Goel	-																							
Mr. Anuj Srivastava	18%																							
Ms. Sucharita Mukherjee	-3%																							
Mr. Narendra Ostawal	-																							
Mr. Divya Sehgal	-																							
Mr. Maninder Singh Juneja	-																							
Ms. Nutan Gaba Patwari	13%																							
Mr. Shreyans Bachhawat	21%																							
3.	The percentage increase in the median remuneration of employees in the FY24.	12% PA effective April 2023 *(Annualised increment % is given above)																						
4.	The number of permanent employees on the rolls of company	1,249 as on March 31, 2024																						
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	<p>Average percentile increases made in the salaries of employees other than the managerial personnel in the last financial year = 15% PA effective April 2023 (Annualised)</p> <p>Average percentile increases made in the salaries of managerial personnel in the last financial year = 14% PA</p>																						

# Directors' Report

Sr.No	Particulars	Details
	and point out if there are any exceptional circumstances for increase in the managerial remuneration.	effective April 2023 (Annualised)
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration paid is as per the nomination and compensation policy of the Company.

- i. The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- ii. If there is an even number of observations, the median shall be the average of the two middle values.
- iii. The ratio of remuneration of each Director to the median remuneration of the employees of the Company is calculated basis 754 employees who have been in the organisation for the entire financial year.

# Directors' Report

## ANNEXURE VII

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L65990MH2010PLC240703**
2. Name of the Listed Entity: **Home First Finance Company India Limited**
3. Year of incorporation: **2010**
4. Registered office address: **511, Acme Plaza, Andheri Kurla Road, Mumbai - 400059**
5. Corporate address: **same as above**
6. E-mail: **corporate@homefirstindia.com**
7. Telephone: **+91 22 6694 0386**
8. Website: **www.homefirstindia.com**

Financial year for which reporting is being done:	Start Date	End Date
Current Financial Year	1 <sup>st</sup> April 2023	31 <sup>st</sup> March 2024
Previous Financial Year	1 <sup>st</sup> April 2022	31 <sup>st</sup> March 2023
Prior to Previous Financial year	1 <sup>st</sup> April 2021	31 <sup>st</sup> March 2022

- 9.
10. Name of the Stock Exchange(s) where shares are listed: **Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)**
11. Paid-up Capital: **₹ 177,032,334**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

<b>Name</b>	Mr. Shreyans Bachhawat, Company Secretary
<b>Contact</b>	+91 22 6694 0386
<b>Email id</b>	corporate@homefirstindia.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): **Disclosures made in this report are on a standalone basis and pertain only to Home First Finance Company India Limited.**
14. Name of assurance provider: **In pursuance of SEBI Circular No.: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, the Company is not required to undertake reasonable assurance of the BRSR Core for the Financial Year 2023-2024.**
15. Type of assurance obtained: **Not Applicable**

# Directors' Report

## II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Financial Services	The Company's business is providing home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. In addition to home loans, Company also offers customers other mortgage loans including loans against property.	100%

17. Products/Services sold by the entity (accounting for 90% of the turnover):

S. No	Product/Service	NIC Code	% of total Turnover contributed
1.	<b>Home Loans and other Mortgage Loans:</b> The Company provides home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. In addition to home loans, the Company also offers customers loans for purchasing commercial properties and other mortgage loans including loans against property	64910	100%

## III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices
National	Not Applicable*	133**
International		-

\*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

\*\* Head Office location includes the corporate office and comprises of 12 different sub-offices in the same building. Additionally, we have a Call Centre at Mahape. If we count these sub-offices separately then the total number of offices for HomeFirst is 146.

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	12 states and 1 union territory
International (No. of Countries)	NIL

# Directors' Report

b) What is the contribution of exports as a percentage of the total turnover of the entity?  
NIL

c) A brief on types of customers

We serve salaried customers in low and middle-income groups which account for 68.02% of our Gross Loan Assets, and self-employed customers account for 31.92% of our Gross Loan Assets, as of March 31, 2024. Our salaried customers are typically employed by small firms or work in junior positions in companies, while our self-employed customers are generally small business owners. The monthly incomes of our customers for majority of our customers range between ₹ 20,000 to ₹ 50,000 per month.

## IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1249	893	71.50%	356	28.50%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	1249	893	71.50%	356	28.50%
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	-	-	-	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	-	-	-	-	-

21. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.00%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers:

	FY 2024 (Turnover rate)			FY 2023 (Turnover rate)			FY 2022 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.89%	24.46%	32.11%	38.69%	43.04%	39.80%	37.83%	33.41%	36.54%
Permanent Workers	-	-	-	-	-	-	-	-	-

# Directors' Report

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/ Subsidiary/ Associate Companies/ Joint ventures

S. No.	Name of holding/ Subsidiary/ Associate Companies/ Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate Companies/ Joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
No Holding, Subsidiary or Associate Companies (including joint ventures)				

## VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): Yes  
 (ii) Turnover (in ₹) 1,137.45 Crs  
 (iii) Net worth (in ₹) 2,121.49 Crs

## VII. Transparency and Disclosure Compliances

25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If yes, then provide web - link for grievance redress policy)	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	0	0		0	0	
Employees and Workers	Yes	0	0		0	0	
Customers	Yes	360	2		397	0	
Value Chain Partners	Yes	0	0		0	0	
Others							

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

26. Overview of the entity's material response business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

# Directors' Report

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Funding properties which are inappropriate or are developed at inappropriate location may lead to severe environmental, social, health and safety issues.	Risk	<ul style="list-style-type: none"> <li>- Inappropriate property/ development location may either lead to loss of life and/or deterioration in quality of life in nearby habitats.</li> <li>- HomeFirst is primarily in the business of mortgage loans. In the event of default by borrower, the most suitable recovery mechanism is sale of primary collateral (Property). Any kind of incorrect assessment and non-compliance of regulatory laws impacts recovery prospects.</li> </ul>	<ul style="list-style-type: none"> <li>- As a part of property assessment process, HomeFirst has clearly called out criteria for selecting properties that can be financed. These criteria cover various aspects related to environment, social, health and safety.</li> <li>- This is regularly communicated to Property Assessment team.</li> <li>- Additionally, we receive reports from empaneled valuers to get an independent opinion on suitability of location and other regulatory aspects.</li> </ul>	<ul style="list-style-type: none"> <li>- Funding such high-risk properties may lead to financial losses to HomeFirst. Reason being, such properties may lead to loss of life (i.e., Borrower, other surrounding habitats) and /or environmental issues and/or Regulatory actions (i.e., Legal Proceedings, Demolitions of structure, financial penalties on owners, confiscation of property etc.) which may negatively impact borrower's repayment ability and intention. This may ultimately lead to defaults in repayment of the loan.</li> </ul>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping business demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) <i>* See the list of policies below which incorporates the principles</i>	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y
c. Web Link of the Policies, if available	<a href="https://homefirstindia.com/investor-relations/">https://homefirstindia.com/investor-relations/</a>								

# Directors' Report

2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. HomeFirst has translated the policy into procedures across the activities undertaken by the company.
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company expects its stakeholders to adhere to the same in all their dealings.
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	Not Applicable
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The company has started making strides in green housing. During the financial year, 230 customers were onboarded with the Company for constructing Green Homes and 8 have already completed implementation pending certification. Agreement has been signed with Sintali (<a href="http://www.sintali.com">www.sintali.com</a>) to certify Green measures implemented houses under IFC-EDGE protocol. Additionally, identification and onboarding of Home Inspectors across markets is ongoing. They will guide customers onboarded for Green Homes in their Home Construction journey on Green measures and collect the evidences post-implementation.</p> <p>Also, we continue to build on the identified 12 focus areas in our ESG framework as mentioned below:</p> <ol style="list-style-type: none"> <li>1. Operational Eco - Efficiency</li> <li>2. Climate Resilience</li> <li>3. Employee Training &amp; Development</li> <li>4. Employment &amp; Labor Practices</li> <li>5. Data Protection and Privacy</li> <li>6. Health &amp; Safety</li> <li>7. Customer Satisfaction</li> <li>8. Community Relations</li> <li>9. Corporate Governance</li> <li>10. Risk Management</li> <li>11. Code of Conduct &amp; Business Ethics</li> <li>12. Sustainable Finance</li> </ol>

# Directors' Report

<p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p>	<ul style="list-style-type: none"> <li>Digitally agreements signing, E-stamping and E-NACH mandates penetration has reached approximately 70% in FY24.</li> <li>We have Equal Opportunity Policy, Parental Leave Policy and a formal talent pipeline development strategy.</li> <li>During the period FY24, 13,495 manhours of training vs 14,240 in FY23 to employees through various courses and trainings.</li> <li>On women representation, about ~29% are women, with 51% women at head office and 22% women in senior management.</li> <li>Overall, ~88 loans have woman as borrower. Primary applicant in 14% of AUM + atleast 1 woman co-borrower in 76% of AUM.</li> <li>EWS and LIG customers account for more than ~63% of AUM.</li> <li>We have prepayment facility provided on the Customer App to "nudge" customers towards prudent finance management.</li> <li>95% of active customers are registered on HomeFirst Customer Portal App. Android Rating is 4.1 (06 May'24).</li> <li>7 of 8 Directors are non-executive, 4 of 8 Independent Directors and 2 of 8 Woman Directors.</li> </ul>
<p><b>Governance, leadership and oversight</b></p>	
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – Refer to Overview by MD &amp; CEO in Sustainability Report Chapter on pg. 35</p>	
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>Mr. Manoj Viswanathan Managing Director &amp; CEO DIN: 01741612</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>Yes.</p> <p>The Managing Director &amp; CEO and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. An execution team headed by MD &amp; CEO is also overlooking the ESG &amp; sustainability related aspects identified by the company.</p>

# Directors' Report

		<p>The CSR and ESG Committee which is supervised by the Board is responsible for overlooking the developments of ESG initiatives. A monthly ESG dashboard is reported to the management team to track the progress of ESG-related initiatives.</p> <p>The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. Quarterly updates of ESG plans and status updates are presented in the Board Meeting. The ESG policy is also reviewed annually for any changes if required.</p>																
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Company periodically reviews all policies and necessary changes are made to the policies and processes as per the need.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the extant regulations and principles as are applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	<p>Yes. Various processes, operations and compliances of the Company are subjected to review by different agencies like internal auditor, statutory auditor, regulator, credit rating agencies as applicable. The policies are reviewed periodically (atleast annually) and amended as per need with the approval of the board.</p>								

# Directors' Report

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)							Y		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

\*The policies below cover the above principles and its core elements of NGRBCs:

- KYC and Anti-Money Laundering Measures Policy
- Credit Policy
- Vigil Mechanism and Whistle blower policy
- Corporate Social responsibility policy
- Policy on Prevention of Sexual harassment in the workplace
- HR Policy
- Code of conduct for regulating, monitoring and reporting of trading by insiders
- Code of Conduct for the Board of Directors and the Senior Management Personnel
- ESG policy
- Equal Opportunity Policy
- Grievance redressal policy
- Learning Policy
- Health and Safety Policy
- Diversity and Inclusion Policy
- Anti-Bribery and Anti-Corruption Policy
- Technology Equipment Handling And Disposal Policy
- Fair advertising policy
- Code of Conduct
- Fair Practice Code
- Fit and Proper Criteria for Directors
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Environment Management Policy
- Human Rights Policy
- Compliance Policy

# Directors' Report

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### **PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

Essential Indicators			
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	The Board members were apprised of various developments on the ESG front and educated basis topics such as Green Housing, GHG emissions, Green initiatives undertaken during the year. The ESG-BRSR training covered the 9 principles as per BRSR. Further the training also covered ESG reporting standards such as GRI, Integrated Reporting Framework, UN SDGs as well as Greenhouse Gases. Further trainings were provided on POSH, Cyber-security, Code of Conduct, Health & Safety.	100%
Key Management Personnel	2		100%
Employees other than BoD and KMPs	1		97%
Workers	NA	NA	NA
2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):			

# Directors' Report

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

3. Of the instance disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

<b>Case Details</b>	<b>Name of the regulatory/ enforcement agencies/ judicial institutions</b>
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- The company has Anti-Bribery and Anti-corruption policy. The policy is applicable to all directors, officers, employees (whether permanent, fixed-term or temporary), agents, representatives and other associated persons of the Company in order to promote strong and transparent operational system to ensure utmost accountability in all affairs of the Company. Further, we have Anti-bribery rules in the Employee Code of Conduct and all the employees are required to undergo a training for code of conduct while getting inducted.

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

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

	<b>FY 2024 (Current Financial Year)</b>	<b>FY 2023 (Previous Financial Year)</b>
Directors	Nil	Nil
KMPs		
Employees		
Workers		

# Directors' Report

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

	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

- Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

We are engaged in the business of providing housing finance. Due to the nature of our business model, which primarily revolves around delivering services rather than dealing with tangible goods or inventory, we do not typically incur accounts payables in the conventional sense. Therefore, this parameter is not relevant for us.

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

We are engaged in the business of providing housing finance. Due to the nature of our business model, which primarily revolves around delivering services rather than dealing with tangible goods or inventory, we do not typically incur accounts payables in the conventional sense. Therefore, this parameter is not relevant for us.

Parameter	Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		

# Directors' Report

Parameter	Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers /distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors		
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)		
	b. Sales (Sales to related parties / Total Sales)		
	c. Loans & advances (Loans & advances given to related parties /Total loans & advances)		
	d. Investments (Investments in related parties / Total Investments made)		

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
6	-	Negligible*

\*19 connectors who attended these 6 sessions.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same
- Yes. The Company has Code Of Conduct For Board Of Directors And Senior Management Personnel. In compliance with the SEBI Listing Regulations, the board of directors of the Company ("Board") has laid down this Code for the Board and the senior management personnel of the Company. It dictates the way in which the company will be conducting its business. The code requires the Board and the senior management team must engage only in activities that align with the interests of the Company and refrain from engaging in any business, relationship, or activity that may bring discredit to the Company or create conflicts of interest between personal interests and the interests of the Company and its stakeholders.

# Directors' Report

## PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators					
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social- impacts of product and processes to total R&D and capex investments made by the entity, respectively.					
	FY 2024 (Current Financial Year) (₹ in Crs)	FY 2023 (Previous Financial Year) (₹ in Crs)	Details of improvements in environmental and social impacts		
R & D	-	-			
Capex	0.04	0.35			
Technology and Software Fees	16.36	14.30			
<p>We are a technologically driven affordable housing finance company. Our processes are largely digital. The expenses incurred on technology and software licenses, helps us create a system which is equipped to process a loan with quick turnaround time. We believe these expenses are an investment to stay relevant, competitive and efficient in today's digital world. The technology expenses help us to improve customer experiences, manage, and analyze large amounts of data.</p>					
2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably? As a housing finance company focused on lending, our primary inputs revolve around financial resources and talent. Given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations.					
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. The company is in the business of providing housing loans. Hence, the scope for using recycled materials as inputs is limited. Further, we have a tie-up with e-waste handler for disposal of electronic waste.					
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. - Not applicable					
Leadership Indicators					
1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?					
NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

# Directors' Report

64910	Housing Finance Activities	100%	FY 2023- 24	No	The entire life cycle assessment of company's business operations is presented in the Public Offer Document of the company. Web-link RHP <a href="https://www.sebi.gov.in/filings/public-issues/jan-2021/home-first-finance-company-india-limited_48802.html">https://www.sebi.gov.in/filings/public-issues/jan-2021/home-first-finance-company-india-limited_48802.html</a>
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**Credit Approval and Disbursement** We have set up a robust credit approval process comprising the following stages:

#### Data Science Backed Centralised Credit Approval & Disbursement Process

<b>Initial Screening and Pre-Sanction Check</b>	<ul style="list-style-type: none"> <li>- Sourcing partners onboarded after detailed due-diligence.</li> <li>- Digital validation of leads through third-party databases for KYC. Filtering out low credit bureau score customers.</li> <li>- Extensive workspace, property &amp; residence verification with photo &amp; video uploaded on cloud.</li> </ul>
<b>Customer Credit Underwriting</b>	<ul style="list-style-type: none"> <li>- Data science based centralised underwriting.</li> <li>- Integrated CRM &amp; Loan management System on cloud-based platform.</li> <li>- API integration with third party independent sources and usage of account aggregator to help in triangulation of income and proofs submitted during verification and validation done from a single dashboard.</li> <li>- Proprietary Machine learning &amp; customer scoring models used for credit decision.</li> </ul>
<b>Property Underwriting &amp; disbursement process</b>	<ul style="list-style-type: none"> <li>- In-depth understanding of operating geographies and property types.</li> <li>- Legal and technical assessment through third party vendors &amp; internal team.</li> <li>- Proprietary ML backed property price predictor &amp; geo-tagging of all properties.</li> </ul>
<b>Loan Collection and Monitoring</b>	<ul style="list-style-type: none"> <li>- No separate collection team. Same RM responsible for collection, acts as positive feedback loop.</li> <li>- Focus on early delinquencies via bounce prediction model. Automated calling &amp; SMS reminders about dues.</li> <li>- Tracking instalment collection status on real time basis.</li> <li>- Payment via Card, UPI, Net banking channels using the Customer App.</li> </ul>

# Directors' Report

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of the Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste			*			*
Hazardous waste						
Other waste						

*We have disposed of 0 units in FY24 and 120 units in FY23.*

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

# Directors' Report

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators											
1. a. Details of measures for the well-being of employees:											
Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	893	893	100	893	100	NA	NA	893	100	NA	NA
Female	356	356	100	356	100	356	100	NA	NA	NA	NA
Total	1,249	1,249	100	1,249	100	356	100	893	100	NA	NA
<b>Other than Permanent Employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
b. Details of measures for the well-being of workers:											
Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent Employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:											
	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)								
Cost incurred on well- being measures as a % of total revenue of the company	0.22%		0.27%								

# Directors' Report

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

Benefits	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	As per Gratuity Act, it is paid post 5 years of service with the company.					
ESI	NA	NA	NA	NA	NA	NA
Others – please specify						

The option to invest in NPS received a good response in the current financial year with 18 employees availing of the same (compared to 14 employees in the previous fiscal).

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Homefirst did not have any disabled employees on its roll as at the end of last fiscal year. Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- Yes. The company has equal opportunity policy. We are committed to a policy of treating all its employees and job applicants equally. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression.

Link: <https://homefirstindia.com/files/Equal%20Opportunity%20Policy.pdf>

# Directors' Report

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	78%	NA	NA
Female	100%	64%	NA	NA
Total	100%	70%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees Other than Permanent Employees	<p>Yes.</p> <p>Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who will resolve the complaint / grievance / issue by means of travel or call.</p> <p>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.</p> <p>In addition, we have a whistle-blower policy which provides a formal platform to share grievances on various matters.</p>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:  
- The Company does not have any employees/workers associations.

Category	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>			NA			
- Male			NA			
- Female			NA			
Total			NA			

# Directors' Report

<b>Permanent Workers</b>	
- Male	NA
- Female	NA

## 8. Details of training given to employees and workers

Category	FY 2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	On Health and Safety measures		On Skill Upgradation		Total (D)	On Health and Safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	893	369	41	276	31	752	402	53	339	45
Female	356	166	47	119	33	241	166	69	173	72
Total	1,249	535	43	395	32	993	568	57	512	51
<b>Workers</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

In addition to trainings conducted on health and safety, we undertake steps to create awareness regarding observing certain rules while on road and while at office. We also conducted fire safety drill to educate the employees on how to use the fire extinguisher and act during emergency. Further, we also guide the employees at the time of induction to observe safety at all times. We also have Health and Safety Policy in place.

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	893	893	100	752	752	100
Female	356	356	100	241	241	100
Total	1,249	1,249	100	993	993	100
<b>Workers</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
  - The company has Health and Safety Policy which ensures that employees are provided a safe, hygienic and congenial workplace to all its employees.
  - All company employees are included in both the Group Personal Accident Insurance Policy, Group Term Life Policy and the Group Health Insurance Policy.
  - Recognizing the significance of employee mental health and overall wellbeing, the company offers one-on-one counseling sessions for employees.
  - Additionally, trainings are conducted to build awareness about occupational health and safety.

# Directors' Report

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- HomeFirst is a housing finance company and hence primarily in the services industry. Hence, the work-related hazards are relatively lower compared to other industries.
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
- The Company is in the business of providing housing finance loans. Hence, work-related hazards are not envisaged. In case of any hazard or emergency incident, the employee can reach out to the HR team/Business head/Department head and report the incident. Additionally, the employee may seek assistance for health insurance. To ensure healthy and safe working environment is the objective of the Health and Safety Policy.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
- Yes. All the employees of the Company including the dependents' are covered under Group Personal Accident Insurance Policy and Group Health Insurance Policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NA	NA
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NA	NA
No of fatalities	Employees	NIL	NIL
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NA	NA

\*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- HomeFirst prioritizes employee safety and wellbeing, particularly evident during the pandemic where the company covered treatment expenses for employees and their families during home quarantine. Recognizing the importance of emotional health, HomeFirst offers one-on-one counseling sessions for employees. Additionally, the company conducted financial wellness programs to educate and empower the employees.

# Directors' Report

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

	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & safety practices	NIL
Working Conditions	NIL

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

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

## Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
  - Yes. The Company has Group Personal Accident Insurance Policy and Group Health Insurance Policy for the employees. The Company also extends Group Term Life Insurance Policy – wherein financial protection to the nominee or beneficiary is provided in case of the death of the covered individual during the policy term. The sum assured will be either 4 times of employee's CTC or ₹ 20 lakhs, whichever amount is higher. In case of death of an employee who had ESOPs, the unvested ESOPs; immediately vest with the nominee of such an employee.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
  - Value chains comprise of service providers, banks, and developers. We ensure that we receive TDS or GST certificate or that the TDS / GST that is deposited / credited is duly reflected in 26AS / 2A respectively.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

# Directors' Report

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
- Since we have a young and diverse employee base with median age of 26.0 years and we have just 3 employees who are aged 50 or more, we currently do not have any such transition assistance programs.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that are assessed
Health and safety practices	NIL
Working Conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.
- No corrective actions were required to be taken to address such concerns.

# Directors' Report

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

Essential Indicators				
1. Describe the processes for identifying key stakeholder groups of the entity <ul style="list-style-type: none"> <li>- Our company has identified institutions, individuals or a group of individuals furthering the mission of the company as key stakeholder groups of the entity. We have identified and included but not limited to employees, shareholders including prospective investors, customers, channel partners including connectors, regulators, lenders, research analysts, communities and NGOs, other service providers amongst others.</li> </ul> 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.				
Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half/ Quarterly/ Other- please specify)	Purpose and scope of engagement key topics and concerns raised during such engagement
Customers	Yes, if they qualify based on specified criteria such as income, gender etc.	<ul style="list-style-type: none"> <li>•Customer satisfaction surveys and feedback</li> <li>•Interaction at Branches</li> <li>•Customer Care Phone Number</li> <li>•Digital Channels - Customer App, SMS, WhatsApp, Social media platform, chatbot, Video Call</li> <li>•Pamphlets</li> <li>•House Visits/Work Visits</li> </ul>	Ongoing	Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have- to provide quality customer service
Employees	No	<ul style="list-style-type: none"> <li>•Email communications</li> <li>•Physical/virtual meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•Training and development sessions</li> <li>•Wellness and counselling sessions</li> </ul>

# Directors' Report

		<ul style="list-style-type: none"> <li>•Appraisal Process</li> <li>•Online Surveys</li> <li>•Employee Engagement Initiatives</li> </ul>		<ul style="list-style-type: none"> <li>•Employee Welfare Schemes</li> </ul>
Shareholders/ Investors	No	<ul style="list-style-type: none"> <li>• Quarterly reports, annual reports and press releases</li> <li>• Investor meets and Annual General Meetings (AGMs), including virtual investor meets and virtual AGMs in the era of COVID-19 pandemic</li> <li>• Email, SMS, newspaper advertisement, notice board, website, intimation to stock exchanges, quarterly financials and investor meetings/conferences.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•To stay abreast of developments in the Company</li> <li>•Compliance</li> <li>•Economic performance</li> <li>•Governance and Ethical practices</li> </ul>
Regulators, lenders and credit rating agencies	No	Email, one-on-one meetings, concalls, video conference, mandatory filings with regulators	Ongoing	Discussions with regard to various regulations and amendments, inspections, approvals
Research Analysts	No	Email, one-on-one meetings, concalls, video conference	Ongoing	Keep abreast of developments of the Company
Communities & NGOs	No	<ul style="list-style-type: none"> <li>•Project Assessment reviews</li> <li>•Joint assessment of projects</li> </ul>	Ongoing	Implementation of CSR Initiatives and status of the initiatives undertaken

# Directors' Report

		•Community welfare programs		
Channel partners & Key Partner includings vendor partners	No	Regular meetings/ mails/ phone calls	Ongoing	Partnership

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Company has sub-committees wherein the Board has delegated powers to redress consumer grievances, shareholders / investor grievances, monitor ESG initiatives and other stakeholders feedback as mentioned below.

Grievance Redressal Committee ('GRC') looks after all the customer related issues and resolves them. The GRC meets every quarter and the minutes of the meetings which include the nature of complaints and when it was resolved are ratified by the Board in the subsequent meeting.

Stakeholders Relationship Committee ('SRC') is constituted in view to resolve the investor/ shareholders grievances. The Committee meets every six months and the minutes of the meetings are shared with the Board in the subsequent meeting.

CSR and ESG Committee monitors the progress of ESG initiatives semi-annually. Additionally, the Board receives quarterly updates on the Company's ESG initiatives as part of Quarterly Investor Presentation. Feedback from the Board regarding these initiatives is then communicated to the ESG Execution team for consideration. Subsequently, the Company shares status updates with stakeholders through its quarterly results presentations, incorporating any feedback received from the Board. Furthermore, developments in ESG matters are regularly discussed during quarterly Board Meetings and are included in investor presentations, which are made available on the Company's website and Stock Exchanges for wider stakeholder access.

Feedback from lenders, rating agencies & research analysts, if any, given by them is considered internally and incorporated in the corporate communications as per requirement.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

- Yes. The Company engages with various investors/shareholders/rating agencies /customers/vendors to understand the changing ESG scenario and the expectations from the company and benchmark Company's achievements with the best practices. The feedback received is then incorporated. We continue to be rated by MorningStar Sustainalytics – they provided the company with feedback and scope for improvement. We also received ESG rating from S&P Global – which has helped us identify further parameters for improvement. Further, we have tied up with IFC for their advisory services on Green Housing. Agreement has been signed with Sintali to certify Green measures implemented houses under IFC-EDGE protocol. All these steps enable us to get better inputs on managing the business in a better manner.

# Directors' Report

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3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.
  - The Company in the business of providing housing loans to customers belonging to economically weaker sections of the society. Further, the company provides the facility of pre-payment to the Customers on the Customer App at no extra cost. Additionally, several CSR initiatives were undertaken during the year to address concerns of the vulnerable/marginalized stakeholder group. Further details on Corporate Social Responsibility on page no 78.

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## PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators										
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:										
<ul style="list-style-type: none"> <li>- We have a Human Rights Policy which is hosted publicly on our website. Link : <a href="https://homefirstindia.com/files/Human%20Rights%20Policy.pdf">https://homefirstindia.com/files/Human%20Rights%20Policy.pdf</a></li> </ul> <p>However, no specific trainings have been undertaken on human rights issue/policies in the years FY23 and FY24. The company is currently in the advanced stages of developing a training module focused on educating employees about human rights issues.</p>										
Category	FY 2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	No. employees of workers/ covered (B)		% (B/A)		Total (C)	No. employees of workers/ covered (D)		% (D/C)	
<b>Employees</b>										
Permanent										
Other than permanent										
<b>Total Employees</b>										
<b>Workers</b>										
Permanent										
Other than permanent										
<b>Total Workers</b>										
2. Details of minimum wages paid to employees and workers, in the following format:										
Category	FY 2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>1,249</b>	-	-	<b>1,249</b>	<b>100</b>	<b>993</b>	-	-	<b>993</b>	<b>100</b>
Male	893	-	-	893	100	752	-	-	752	100
Female	356	-	-	356	100	241	-	-	241	100
<b>Other than Permanent</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Workers</b>										
<b>Permanent</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

# Directors' Report

<b>Other than Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/salary/of respective category (₹)	Number	Median remuneration/salary/of respective category (₹)
Board of Directors (BoD)	2	25,86,000	1	27,10,000
Key Managerial Personnel*	2	1,37,11,131	1	1,99,20,645
Employees other than BoD and KMP	550	6,93,614	202	6,27,253
Workers	NA	NA	NA	NA

\*Manoj Viswanathan (MD & CEO) is categorized as Key Managerial Personnel for the purpose of this table. The median remuneration / Salary is considered basis the actually amount paid during the year to 755 employees (including KMP) who have been in the organisation for the entire financial year.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Gross wages paid to females as % of total wages	24.34%	22.77%

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

- Chief Human Resources Officer oversees the human resource function and is responsible for addressing the same.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- The mechanism adopted for raising employee complaints can be used for raising human right complaints as well. Home First believes that an empowered workforce is the best way to receive feedback and identify improvement areas. The following grievance mechanism provides all employees, vendors, suppliers and customers a secure and 24x7 access to raise grievances and to report confidentially without fear of retaliation:

- Whistleblower Policy
- Policy on Prevention and Redressal of Sexual Harassment at Workplace
- Human Resources Team
- Grievances Redressal Policy

Additionally, we continuously engage with employees to create awareness, understand and address grievances. through social media, emailers, team and individual meetings with business leads and HR team.

# Directors' Report

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

	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	No complaints received during the year	NIL	NIL	No complaints received during the year
Discrimination at Workplace	NIL	NIL	No complaints received during the year	NIL	NIL	No complaints received during the year
Child Labour	NIL	NIL		NIL	NIL	
Forced Labour/ Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other than human rights related issues	NIL	NIL		NIL	NIL	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of Female Employees/workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- The Company has a Policy on Prevention of Sexual Harassment in the Workplace. The enquiry process ensures that the inquiry will be conducted confidentially. Further, the policy recognizes retribution or retaliation in the context of reporting acts of sexual harassment as a serious violation. The report and investigation of allegations of retaliation will follow the procedures set forth in this Policy and will be treated as an additional complaint and investigated similarly. Any person found to have retaliated against an individual for reporting harassment, or for participating in an investigation of allegations of such conduct, may expect the Company to impose severe disciplinary action.
- The Company also has an Equal Opportunity policy. We are committed to a policy of treating all its employees and job applicants equally and is intolerant towards discrimination and/or harassment based on gender, race, religion, age. Our Equal Opportunity Employer Policy expresses the company's commitment to promote equality and conduct its business according to principles of social justice, respect and freedom of expression.

# Directors' Report

- The Company also has a Vigil Mechanism and Whistle Blower Policy. The purpose of the Whistle Blower policy is to report any unethical practice observed without the risk of victimization, discrimination or disadvantage. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a protected disclosure under this Policy. The Company condemns any kind of discrimination, harassment victimization or any other unfair employment practice being adopted against the Whistle Blower.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

- Yes, in business agreements and contracts where relevant.

10. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	NIL.
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

- Not applicable

## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints

- There has been no case of human rights grievances and complaints; hence no changes to business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

- No specific human rights due diligence is conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

- Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled.

4. Details on assessment of value chain partners:

	<b>% of your value chain partners (by value of business done with such partners) that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	NIL. No specific assessments have been carried out to this effect by the Company.
Forced/ involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

- No corrective actions pertaining to the above question were required by the Company during the current year.

# Directors' Report

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators				
1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: We have set up systems to understand our GHG Scope 1 and Scope 2 emissions. We have tracked our electricity consumption for the current fiscal.				
Parameter	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)	
	kWh	TJ	kWh	TJ
<b>From renewable sources</b>				
Total electricity consumption (A)	869565.19 kWh	3.13 Terajoules	618795.76 kWh	2.23 Terajoules
Total fuel consumption (B)*	-	-	-	-
Energy consumption through other sources(C)				
<b>Total energy consumption from renewable sources (A+B+C)</b>	869565.19 kWh	3.13 Terajoules	618795.76 kWh	2.23 Terajoules
<b>From non renewable sources</b>				
Total electricity consumption (D)				
Total fuel consumption (E)				
Energy consumption through other sources(F)				
<b>Total energy consumption from non renewable sources (D+E+F)</b>				
<b>Total energy consumption sources (A+B+C+D+E+F)</b>	869565.19 kWh	3.13 Terajoules	618795.76 kWh	2.23 Terajoules
<b>Energy intensity per rupee of turnover</b> (Total energy - consumed/ Revenue from Operations)	764.49 kWh/ ₹crores of turnover	0.003 Terajoules / ₹crores of turnover	782.31 kWh/ ₹ crores of turnover	0.003 Terajoules / ₹ crores of turnover
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)				
<b>Energy intensity in terms of physical output</b>				
Energy intensity (optional)	696.21 kWh/ employee	0.003 TJ/ employee	623.16kWh/ employee	0.002 TJ/ employee
*The company does not own any vehicles or diesel generator sets, and there is no stationary combustion taking place; therefore, there is no fuel consumption.				
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.				

# Directors' Report

Yes. The Company has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HomeFirst Finance's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining its carbon emissions pertaining to its own operations. The Company has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydro fluorocarbons (HFCs, HCFCs).

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Not applicable

3. Provide details of the following disclosures related to water, in the following format:

- Not applicable

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii+iii+iv+v)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> ( Total Water consumption/ Revenue from operations)		
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)		
<b>Water intensity in terms of physical output</b>		
<b>Water intensity</b> (optional)- the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

# Directors' Report

4. Provide the following details related to water discharged: Not applicable

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
- Not applicable
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
- Not applicable

Parameter	Please specify Unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

# Directors' Report

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	15.99	15.02
<b>Total Scope 2 emissions</b> (Break up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	622.55	439.34
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.56 Metric tonnes of CO <sub>2</sub> equivalent / ₹ crores of turnover	0.57 Metric tonnes of CO <sub>2</sub> equivalent / ₹ crores of turnover
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		12.84 Metric tonnes of CO <sub>2</sub> equivalent/ turnover adjusted for PPP	13.14 Metric tonnes of CO <sub>2</sub> equivalent/ turnover adjusted for PPP
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>			
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> the relevant metric may be selected by the entity		0.51 Metric tonnes of CO <sub>2</sub> equivalent / employee	0.46 Metric tonnes of CO <sub>2</sub> equivalent / employee

Note: The PPP conversion factor (GDP per international \$) is 22.88. The source considered is: <https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=1990>

# Directors' Report

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HomeFirst Finance's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining its carbon emissions pertaining to its own operations. The Company has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs, HCFCs).

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

The company has started making strides in green housing. During the financial year, 230 customers were onboarded with the Company for constructing Green Homes and 8 have already completed implementation pending certification. Agreement has been signed with Sintali to certify Green measures implemented houses under IFC-EDGE protocol. Additionally, identification and onboarding of Home Inspectors across markets is ongoing. They will guide customers onboarded for Green Homes in their Home Construction journey on Green measures and collect the evidences post-implementation.

Additionally, the Company being a tech-driven affordable housing finance company, has digital initiatives in place across the business operations. More details available in Intellectual Chapter on pg no 87

9. Provide details related to waste management by the entity, in the following format:

Company is in the business of providing housing finance and is a service-oriented company. Our focus on waste management is limited in scope and pertains to office related waste. Our processes are largely digital and paperless. Regarding e-waste, company has an e-waste policy and has signed an agreement with a certified e-waste handler for disposal of e-waste.

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)		
E-waste (B)	*	*
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated. Please specify, if any. (H) (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+ B + C + D + E + F + G + H)</b>		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)		

# Directors' Report

Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)			
Waste intensity in terms of physical output			
Waste intensity (optional) – the relevant metric may be selected by the entity			
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Recycled			
(ii) Re-used			
(iii) Other recovery operations			
<b>Total</b>			
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Incineration			
(ii) Landfilling			
(iii) Other disposal operations			
<b>Total</b>			
<p>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency</p> <p><i>**"We have disposed of 0 units of e-waste in FY24 and 120 units of e-waste in FY23.</i></p> <p>10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.</p> <ul style="list-style-type: none"> <li>- The Company is involved in the business of providing housing finance.</li> <li>- Majority of our processes are digital, paper wastage is minimal.</li> <li>- Company does not have any usage of hazardous and toxic chemicals.</li> <li>- The Company has an e- waste policy and signed an agreement with certified e- waste handler for disposal of e-waste.</li> </ul> <p>11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:</p> <ul style="list-style-type: none"> <li>- Not applicable</li> </ul>			
<b>S. No.</b>	<b>Location of operations/offices</b>	<b>Type of operations</b>	<b>Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no. the reasons thereof and corrective action taken, if any</b>

# Directors' Report

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

- Not applicable

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

- As the company is involved in the business of providing housing finance, there is no major emission of water and air pollution. As such, the company is not directly covered under the purview of the above-mentioned Acts.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

## Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

- Not applicable

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area : Not applicable
- Nature of operations: Not applicable
- Water withdrawal, consumption and discharge in the following format: Not applicable

# Directors' Report

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
<i>Total volume of water withdrawal (in kilolitres)</i>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> ( <i>Water consumed / turnover</i> )		
<b>Water intensity</b> (optional)–the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into-Surface water		
-No treatment		
-With treatment – please specify level of treatment		
(ii) Into-Groundwater		
-No treatment		
-With treatment – please specify level of treatment		
(iii) Into-Seawater		
-No treatment		
-With treatment – please specify level of treatment		
(iv) Sent to third-parties		
-No treatment		
-With treatment – please specify level of treatment		
(v) Others		
-No treatment		
-With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Given that the company is in the business of providing housing finance and is a service-oriented company, our focus on environmental indicators is passive and we have not tracked Scope 3 emissions. However, we do report our Scope 1 and Scope 2 emissions.

# Directors' Report

Parameter	Unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not tracked	Not tracked
<b>Total Scope 3 emissions per rupee of turnover</b>		Not tracked	Not tracked
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		Not tracked	Not tracked

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
  - Not applicable
- If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along - with summary)	Outcome of the initiative
1.	Capturing of primary data in softcopy and paperless onboarding of customer	We have an efficient paperless process to onboard and verify customers as well as determine their eligibility. Our relationship managers conduct workplace and residence verifications and submit the loan application on the central platform – this is then cross checked by our underwriting. No KYC document hardcopies are collected by the RM. The KYCs are digitally captured and stored on the cloud.	a) Paperless process – saving paper and thereby more eco-friendly. b) since the data is stored on the cloud and can be accessed real-time by central office – the “paper files” are not required to be circulated. Again saving time and energy of all involved.

# Directors' Report

2.	Remote payment link is sent to customers to make payment – thus the effort to collect cash payments is reduced	The Relationship Manager can collect payments from customers remotely from anywhere using RM Pro App. The RM has to send the payment link using the app to the customer. The payment can be tracked on the App.	Reduced number of cash collections – saving time and efforts of the relationship manager and providing convenience to the customer as well. This also reduces fuel consumption and prevents health impact on our employees.
3.	Digital Loan agreements	Our customers can E-sign the loan agreements and do not have to come to the branch office physically to sign the document	E-signing saves paper and storage space.
4.	Customer App	Customer App is a feature rich app that can be used for raising queries, downloading statement of account, making part payments, refer a prospective customer, locate the nearest branch, etc.	Customers don't have to visit the branch to avail these services - saving time, fuel and effort.
5.	Green Homes Initiatives tie-up with IFC	We are trying to build a portfolio of green buildings in the affordable, self-build segment. In collaboration with the advisory wing of IFC, we are creating a complete green housing framework for the evaluation and certification process.	The homes can be green-certified. This measure will in turn help reduce greenhouse gas emissions.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

- Yes.

HomeFirst has Board approved policies on Business Continuity Plan and Disaster Recovery Plan. The policy document provides guidance for ensuring business continuity about people, process and technology.

Policy covers measures like business impact analysis, recovery strategies, business continuity / disaster recovery plans, governance program covering a testing plan, training and awareness program, communication and crisis management programme. These measures propagate effective business continuity management.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

- Given that the company is in the business of providing housing finance, there has been no adverse impact to the environment.

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

- None

# Directors' Report

## PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators						
1. a. Number of affiliations with trade and industry chambers/ associations. - We have membership with 1 trade and industry chamber/association b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to						
S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)				
1	ASSOCHAM (The Associated Chambers of Commerce and Industry of India)	National				
2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities - Not applicable						
Name of Authority		Brief of the case		Corrective action taken		
Leadership Indicators						
1. Details of public policy positions advocated by the entity: - The company does not take part in lobbying and hasn't propagated any public policy positions.						
S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly/ Others - please specify)	Web Link, if available	

# Directors' Report

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
  - Not applicable.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:
  - Not applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)

- Describe the mechanisms to receive and redress grievances of the community.

#### For Employees:

We also have an employee grievance redressal mechanism in place. Any employee can access the HR team to raise a complaint and the same is then taken up by the HR team who travel to the location (in case of conflict) or reach out on phone to resolve the complaint/grievance/issue. The company follows an open-door policy and is a lean organization. Employees have access to the management/ business heads/HR to raise their concerns. In addition, we have a whistle-blower policy which provides a formal platform to share grievances on various matters.

#### For Customers:

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

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

#### a. Level-1

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

# Directors' Report

## b. Level – 2

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

Email id – [query@homefirstindia.com](mailto:query@homefirstindia.com).

## c. Level-3

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

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

### Alternative Remedy

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

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

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

Complaint Redressal Cell  
National Housing Bank  
Department of Regulation and Supervision  
4th Floor, Core 5A, India Habitat Centre, Lodhi Road  
New Delhi – 110 003  
The complaints can also be mailed at [crcell@nhb.org.in](mailto:crcell@nhb.org.in)

### For Investors:

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

Home First Finance Company India Limited  
Mr. Shreyans Bachhawat,  
Company Secretary

511, Acme Plaza, Andheri Kurla Road,  
Andheri East, Mumbai 400 059  
Email: [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)  
Tel No: +91 022 6694 0386

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

# Directors' Report

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

- Not applicable

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	-	-
Directly from within India	-	-

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Rural	-	-
Semi-urban	-	-
Urban	0.22%	0.24%
Metropolitan	99.78%	99.76%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

- Not applicable

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: NIL

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

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

- Although the Company does not have a specific procurement policy, all of our branches are encouraged to procure locally their stationary, supplies and housekeeping requirements. Each of the branches are given an expense card to ensure they pay electronically and support the local community with quick payouts. Further, through our connector channel, the company has tie-ups with small, local players in the construction eco-system for generating leads.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

- Not available

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share

# Directors' Report

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

- Not applicable

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Project Sashakt- Catering to 3500+ families of migrant factory workers at Narol & Naroda, Ahmedabad	11,536	100%
2	Sashakt Skilling Center- Catering to vocation skilling courses like Self Employed Tailoring, Beauty Therapist, GST with Tally, etc	1,677	100%
3	School Development Projects: Education: Established 10 Sashakt Science Labs to impart STEM education to 10000+ beneficiaries Healthcare and Preventive Healthcare: Health awareness camps and construction of Toilets in schools Sustainability: Waste Management System across 6 schools, Water Cooler Installation in 5 schools and Water Harvesting system in one school	21,161	100%
4	Narol & Naroda - Financial Literacy	399	100%
5	<b>Mahila Shram Shakti Kendra</b>		
	Social Security	3,477	100%
	Health and Nutrition	5,060	100%
	Legal Aid and Education	1,707	100%
	Skill Training	793	100%
	Gender Sensitization	570	100%
6	Simply Social- Employee Driven CSR	240	100%
7	Installation of Solar Pumps and Drip Irrigation for marginal farmers	10	100%

# Directors' Report

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

Essential Indicators						
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. <ul style="list-style-type: none"> <li>- 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.</li> <li>- All queries and complaints received at branches and through other communication channels are recorded in our CRM and the details of redressal of the same including turnaround times are placed before the Audit Committee every quarter for its review.</li> </ul>						
Escalation matrix:						
The company has a three-level escalation matrix for handling customer grievances. Please refer question 3 of Principle 8 on pg no 248 for escalation matrix.						
2. Turnover of products/ services as a percentage of turnover from all products/ service that carry information about:						
					<b>As a percentage to total turnover</b>	
Environmental and social parameters relevant to the product					- All our loan products and Most Important Terms and Conditions (MITCs) are completely transparent and disclose all product related details.	
Safe and responsible usage						
Recycling and/or safe disposal						
3. Number of consumer complaints in respect of the following:						
	FY 2024 (Current Financial Year)		Remarks	FY 2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	Nil	Nil		Nil	Nil	
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practices						
Unfair Trade Practices						
Other						

# Directors' Report

## 4. Details of instances of product recalls on account of safety issues:

- Not applicable

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

## 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

- Yes. The company has board approved Information Technology Policy, Information Security Policy, Cyber Security Policy- these are available to internal stakeholders. These policy covers cyber security and risks related to data privacy. The Company also has Privacy Policy hosted on the website. Link : <https://homefirstindia.com/privacy/>

The Company also has an IT Strategy Committee headed by an Independent Director and coordinated by a senior officer for reviewing and management of the IT Strategic plans, Role Management of IT Team, Monitoring of Value delivery of IT resources, Project management of various ongoing projects, overall performance management of applications and utilization of IT Assets, IT Risk management on an ongoing basis. A formal review of IT Strategy Committee takes place atleast once in six months.

## 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

- No penalties have been levied nor any regulatory actions have been taken for above related matter.

## 7. Provided the following information relating to branches:

- Number of instances of data breaches
  - Percentage of data breaches involving personally identifiable information of customers
  - Impact, if any, of the data breaches
- There were no instances of data breach during the year.

### Leadership Indicators

## 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- We have all product details on our website as well as on our Customer Portal App. Website link: <https://homefirstindia.com/>

Further, we have marketing collaterals for communication and social media handles. We also had come up with Homefirst gyaan series (a customer education series on YouTube) for product knowledge.

## 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- We maintain high levels of transparency in our interactions with customers and this has helped us increase customer satisfaction and loyalty as reflected in our net promoter scores - 79 on an average for the fiscal year 2024. We conduct mandatory counselling sessions at our branches to educate customers on the key terms of their loan agreements and to familiarize them with the entire loan disbursement and repayment process. The counselling is carried out during the customer's visit to the branch.

We have a Customer Portal App with wide variety of customer-friendly features such as making payment from the App, raising service requests, locating nearby branches, etc. As of Mar'24, 95% Customers were registered on the App with Average time spent by user on the app per session being 1m and 35 seconds and App rating was 4.1 (As on 6May'24).

# Directors' Report

Considering the kind of customers we have; we prefer educating them during telephonic/in-person interaction in their preferred language and we reiterate the same using push notifications / SMS's etc. The Most Important Terms and Conditions (MITCs) form part of the loan agreement and it provides extensive information to the customers about our products.

We have created video tutorials in regional languages to help customers use online payment methods. Following links can be referred.

English: <https://bit.ly/3qrTSD3>

Tamil: <https://youtu.be/tYqKulTyr3s>

Telugu: <https://youtu.be/kWiG16ZAJfw>

Kannada: <https://youtu.be/dm3Et25RYCU>

Marathi: <https://youtu.be/zNSn0GEcFyY>

Gujarati: <https://youtu.be/lokY2eAGPnl>

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
  - SMS Intimation is sent to the customers to inform them about any disruption/discontinuation of essential services. Our Customer App and Website also ensured that the customer service continues without any hiccup. Throughout the fiscal year 2024, the website and the applications experienced uninterrupted service and remained operational without any downtime.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
  - Yes. HomeFirst is customer focused and believes in being transparent in all our transactions. Our loan agreement has Most Important Terms and Conditions (MITC), they are also displayed in branches as well as hosted on our website. All customers have to read and sign the loan agreement at the time of loan sanction. We also display the processing fees and other charges in our branches as well as on our website. Further, we provide the easy pre-payment facilities for our customers through their mobile app. We are a customer centric organization and believe in taking customer feedback for continuous improvement in our services. We also disclose the net promoter scores in our quarterly investor presentation.



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*Builder & Contractor*

# Financial

STATEMENTS

# Auditors' Report

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Home First Finance Company India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Impairment of loans</b></p> <p>Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of impairment of loans. In particular, our procedures include:</p> <p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p>

# Auditors' Report

Key Audit Matter	Auditor's Response
<ul style="list-style-type: none"> <li>• Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars,</li> <li>• The segmentation of financial assets when their ECL is assessed on a collective basis,</li> <li>• Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors.</li> </ul> <p>The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note 1.3 and note 4.1 to the financial statements.</p>	<p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024 by reconciling it with the balances as per loan balance register and loan commitment report as on that date.</p> <p>We tested assets in stage 1, 2 and 3 to verify that they were allocated to the appropriate stage.</p> <p>Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records.</p> <p>For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD.</p> <p>For the Stage 3 cases, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL.</p>

## Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports") but does not include the financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other

# Auditors' Report

comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

# Auditors' Report

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations as at the year end which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts as at the year end for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of

# Auditors' Report

funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 52 to the financial statements.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 52 to the financial statements.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 18 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

G. K. Subramaniam  
Partner  
Membership No. 109839  
(UDIN: 24109839BKFTGA6440)

Place: Mumbai  
Date: May 8, 2024

# Auditors' Report

## Report on Internal Financial Controls with reference to financial statements

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to financial statements of **HOME FIRST FINANCE COMPANY INDIA LIMITED** (the "Company") as at March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the company based on our audit. We conducted our audit in accordance with the Guidance Note and the SAs, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material

respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

# Auditors' Report

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timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

G. K. Subramaniam  
Partner  
Membership No. 109839  
(UDIN: 24109839BKFTGA6440)

Place: Mumbai  
Date: May 8, 2024

# Auditors' Report

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of verification of Property, Plant and Equipment, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
  - d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there-under.
- (ii) a) The Company does not have any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising book debts statement filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) During the year, the Company has made investments in, provided security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee to any other entity during the year. With respect to such investments, security and loans and advances:
- a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - b) The investments made, security given and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 1.3 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2024, aggregating

# Auditors' Report

- ₹ 1,393.40 million were categorised as credit impaired ("Stage 3") and ₹ 1,013.15 million were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 4.1 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 79,719.68 million, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/or principal aggregating ₹ 1,128.26 million were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 936.78 million. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.
- e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to information and explanation given to us, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and section 186 is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) There were no dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2024.

# Auditors' Report

- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
  - d) On an overall examination of the maturity profile of financial assets and financial liabilities provided in Note 55 to the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
  - f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

# Auditors' Report

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi) a, b and c of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has

come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

G. K. Subramaniam  
Partner  
Membership No. 109839  
(UDIN: 24109839BKFTGA6440)

Place: Mumbai  
Date: May 8, 2024

# Annual Accounts

## Balance Sheet as at 31 March 2024

(₹ in million)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2	5,804.77	2,355.65
Bank balance other than cash and cash equivalents	3	2,410.32	628.45
Loans	4	81,434.38	59,957.00
Investments	5	3,788.13	2,807.99
Other financial assets	6	1,440.70	1,240.97
<b>Total financial assets</b>		<b>94,878.30</b>	<b>66,990.06</b>
<b>Non-financial assets</b>			
Current tax assets (net)	7	2.78	25.80
Deferred tax assets (net)	28.2	31.25	28.32
Property, plant and equipment	8	141.72	116.35
Intangible assets under development	9	1.81	0.46
Right of use assets	8	156.44	137.12
Other intangible assets	8	2.14	3.79
Other non-financial assets	10	125.12	87.71
<b>Total non-financial assets</b>		<b>461.26</b>	<b>399.55</b>
<b>Total Assets</b>		<b>95,339.56</b>	<b>67,389.61</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	11	3.44	-
Payables			
Trade payables	12		
- Total outstanding dues of micro enterprises and small enterprises		0.31	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		114.54	149.13
Debt securities	13	2,775.28	3,469.49
Borrowings (other than debt securities)	14	70,245.74	44,665.24
Other financial liabilities	15	788.51	754.46
<b>Total financial liabilities</b>		<b>73,927.82</b>	<b>49,038.32</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	7.1	39.95	19.36
Provisions	16	73.84	59.56
Other non-financial liabilities	17	83.10	98.98
<b>Total non-financial liabilities</b>		<b>196.89</b>	<b>177.90</b>
<b>Total liabilities</b>		<b>74,124.71</b>	<b>49,216.22</b>
<b>Equity</b>			
Equity share capital	18	177.03	176.03
Other equity	19	21,037.82	17,997.36
<b>Total equity</b>		<b>21,214.85</b>	<b>18,173.39</b>
<b>Total Liabilities and Equity</b>		<b>95,339.56</b>	<b>67,389.61</b>

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

As per our report of even date

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm registration No.: 117365W  
  
G. K. Subramaniam  
Partner  
Membership No.: 109839  
Place: Mumbai  
Date: 08 May 2024

**For and on behalf of the Board of Directors**

Manoj Viswanathan  
Managing Director &  
Chief Executive Officer  
DIN No.: 01741612  
Place: Mumbai  
Date: 08 May 2024

Maninder Singh Juneja  
Director  
DIN No.: 02680016  
Place: Mumbai  
Date: 08 May 2024

Nutan Gaba Patwari  
Chief Financial Officer  
Place: Mumbai  
Date: 08 May 2024

Shreyans Bachhawat  
Company Secretary  
Place: Mumbai  
Date: 08 May 2024

# Annual Accounts

## Statement of profit and loss for the year ended 31 March 2024

(₹ in million, except per share data)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from operations</b>			
Interest income	20	10,276.90	7,222.24
Fees and commission income		99.33	104.08
Net gain on fair value changes	21	321.30	178.81
Net gain on derecognition of financial instruments under amortised cost category		631.08	380.37
Other operating income	22	45.85	24.35
<b>Total revenue from operations</b>		<b>11,374.46</b>	<b>7,909.85</b>
Other income	23	190.99	46.13
<b>Total income</b>		<b>11,565.45</b>	<b>7,955.98</b>
<b>Expenses</b>			
Finance costs	24	4,998.62	3,042.89
Impairment on financial instruments	25	254.32	215.23
Employee benefits expense	26	1,483.44	1,070.13
Depreciation and amortisation	8	117.29	90.66
Other expenses	27	712.18	584.87
<b>Total expenses</b>		<b>7,565.85</b>	<b>5,003.78</b>
<b>Profit before tax</b>		<b>3,999.60</b>	<b>2,952.20</b>
<b>Tax expense:</b>			
- Current tax	28	944.59	714.51
- Deferred tax	28	(2.16)	(45.23)
<b>Total tax expense</b>		<b>942.43</b>	<b>669.28</b>
<b>Profit after tax</b>		<b>3,057.17</b>	<b>2,282.92</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(3.06)	(1.89)
- Income tax relating to items that will not be reclassified to profit or loss		0.77	0.48
<b>Other comprehensive income, net of income tax</b>		<b>(2.29)</b>	<b>(1.41)</b>
<b>Total comprehensive income</b>		<b>3,054.88</b>	<b>2,281.51</b>
<b>Earnings per equity share</b>	29		
Basic earnings per share (₹)		34.65	26.01
Diluted earnings per share (₹)		33.67	25.20
Face value of equity shares (₹)		2.00	2.00

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

As per our report of even date

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

 G. K. Subramaniam  
 Partner  
 Membership No.: 109839  
 Place: Mumbai  
 Date: 08 May 2024

For and on behalf of the Board of Directors

 Manoj Viswanathan  
 Managing Director &  
 Chief Executive Officer  
 DIN No.: 01741612  
 Place: Mumbai  
 Date: 08 May 2024

 Maninder Singh Juneja  
 Director  
 DIN No.: 02680016  
 Place: Mumbai  
 Date: 08 May 2024

 Nutan Gaba Patwari  
 Chief Financial Officer  
 Place: Mumbai  
 Date: 08 May 2024

 Shreyans Bachhawat  
 Company Secretary  
 Place: Mumbai  
 Date: 08 May 2024

# Annual Accounts

## Statement of changes in equity for the year ended 31 March 2024

### Equity share capital (Refer note 18)

(₹ in million)

Particulars	No. of shares	Amount
<b>Balance as at 01 April 2022</b>	<b>8,76,33,703</b>	<b>175.27</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated Balance as at 01 April 2022</b>	<b>8,76,33,703</b>	<b>175.27</b>
Changes in equity share capital during the year	3,83,064	0.76
<b>Balance as at 01 April 2023</b>	<b>8,80,16,767</b>	<b>176.03</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated Balance as at 01 April 2023</b>	<b>8,80,16,767</b>	<b>176.03</b>
Changes in equity share capital during the year	4,99,400	1.00
<b>Balance as at 31 March 2024</b>	<b>8,85,16,167</b>	<b>177.03</b>

### Other equity (Refer note 19)

(₹ in million)

Particulars	Reserves and surplus				Other Comprehensive Income Remeasurements of defined benefit plans	Total Other Equity
	Statutory reserve	Securities premium	Stock options outstanding account	Retained earnings		
<b>Balance as at 01 April 2022</b>	<b>916.94</b>	<b>11,003.57</b>	<b>137.54</b>	<b>3,512.58</b>	<b>(9.05)</b>	<b>15,561.58</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-
<b>Restated Balance as at 01 April 2022</b>	<b>916.94</b>	<b>11,003.57</b>	<b>137.54</b>	<b>3,512.58</b>	<b>(9.05)</b>	<b>15,561.58</b>
Profit for the year	-	-	-	2,282.92	-	2,282.92
Other comprehensive income / (loss) for the year	-	-	-	-	(1.41)	(1.41)
Expenses on employee stock options scheme for the year	-	-	112.30	-	-	112.30
Transfer to statutory reserves from retained earnings	459.00	-	-	(459.00)	-	-
Premium on issue of share capital	-	41.97	-	-	-	41.97
Exercise of stock options outstanding	-	9.85	(9.85)	-	-	-
Stock options lapsed	-	-	(0.10)	0.10	-	-
<b>Balance as at 31 March 2023</b>	<b>1,375.94</b>	<b>11,055.39</b>	<b>239.89</b>	<b>5,336.60</b>	<b>(10.46)</b>	<b>17,997.36</b>
<b>Balance as at 01 April 2023</b>	<b>1,375.94</b>	<b>11,055.39</b>	<b>239.89</b>	<b>5,336.60</b>	<b>(10.46)</b>	<b>17,997.36</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-
<b>Restated Balance as at 01 April 2023</b>	<b>1,375.94</b>	<b>11,055.39</b>	<b>239.89</b>	<b>5,336.60</b>	<b>(10.46)</b>	<b>17,997.36</b>
Profit for the year	-	-	-	3,057.17	-	3,057.17
Other comprehensive income / (loss) for the year	-	-	-	-	(2.29)	(2.29)
Expenses on employee stock options scheme for the year	-	-	163.68	-	-	163.68
Transfer to statutory reserves from retained earnings	615.00	-	-	(615.00)	-	-
Premium on issue of share capital	-	50.93	-	-	-	50.93
Exercise of stock options outstanding	-	10.39	(10.39)	-	-	-
Stock options lapsed	-	-	(3.14)	3.14	-	-
Dividends	-	-	-	(229.03)	-	(229.03)
<b>Balance as at 31 March 2024</b>	<b>1,990.94</b>	<b>11,116.71</b>	<b>390.04</b>	<b>7,552.88</b>	<b>(12.75)</b>	<b>21,037.82</b>

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

As per our report of even date

#### For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm registration No.: 117365W  
G. K. Subramaniam  
Partner  
Membership No.: 109839  
Place: Mumbai  
Date: 08 May 2024

Manoj Viswanathan  
Managing Director &  
Chief Executive Officer  
DIN No.: 01741612  
Place: Mumbai  
Date: 08 May 2024

Maninder Singh Juneja  
Director  
DIN No.: 02680016  
Place: Mumbai  
Date: 08 May 2024

Nutan Gaba Patwari  
Chief Financial Officer  
Place: Mumbai  
Date: 08 May 2024

Shreyans Bachhawat  
Company Secretary  
Place: Mumbai  
Date: 08 May 2024

# Annual Accounts

## Statement of cash flows for the year ended 31 March 2024

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	3,999.60	2,952.20
Adjusted for:		
Interest income on term loans	(9,696.14)	(6,824.97)
Interest on borrowings and debt securities	4,964.33	3,032.56
Net gain on derecognition of financial instruments under amortised cost category	(631.08)	(380.37)
Other interest income on interest strip receivable	(235.91)	(231.38)
Depreciation and amortisation	117.29	90.66
Interest income on bank deposits	(204.46)	(94.48)
Interest income on investments	(138.84)	(67.86)
Loss on sale of property, plant and equipment (net)	2.31	0.23
Financial lease liability (net)	11.66	10.16
Net gain on investments	(324.74)	(178.81)
Unrealised loss on derivative financial instruments	3.44	-
Foreign exchange loss on borrowings	3.34	-
Impairment on financial instruments	254.32	215.23
Expenses on employee stock options scheme	163.68	112.30
<b>Operating profit before working capital changes and adjustment for interest received and paid</b>	<b>(1,711.20)</b>	<b>(1,364.53)</b>
<b>Adjustment for working capital:</b>		
- (Increase) in loans given	(21,612.56)	(17,121.19)
- Decrease/ (Increase) in other financial assets	12.80	(61.32)
- (Increase) in other non financial assets	(32.98)	(13.48)
- (Decrease)/ Increase in trade payables	(34.28)	87.08
- Increase in other financial liabilities	65.93	37.79
- (Decrease)/ Increase in other non financial liabilities	(23.28)	29.16
- Increase in provisions	9.40	8.47
<b>Cash used in operating activities before adjustment for interest received and paid</b>	<b>(23,326.17)</b>	<b>(18,398.02)</b>
- Interest income received	10,238.91	7,420.98
- Interest expense paid	(5,088.60)	(2,988.02)
<b>Cash used in operating activities</b>	<b>(18,175.86)</b>	<b>(13,965.06)</b>
Income tax paid (net)	(900.98)	(720.26)
<b>Net cash (used in) operating activities [A]</b>	<b>(19,076.84)</b>	<b>(14,685.32)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets	(79.96)	(71.54)
Proceeds from sale of property, plant and equipment and other intangible assets	0.11	0.07
Purchase of investments	(60,380.25)	(46,803.19)
Proceeds from redemption/ sale of investments	59,746.92	44,220.16
Placement of bank deposits	(20,117.26)	(7,678.45)
Proceeds from bank deposits	18,353.38	7,552.46
Interest received on bank deposits	186.47	92.91
Interest received on investments	116.77	21.71
<b>Net cash (used in) investing activities [B]</b>	<b>(2,173.82)</b>	<b>(2,665.87)</b>

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

As per our report of even date

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

 G. K. Subramaniam  
 Partner  
 Membership No.: 109839  
 Place: Mumbai  
 Date: 08 May 2024

For and on behalf of the Board of Directors

 Manoj Viswanathan  
 Managing Director &  
 Chief Executive Officer  
 DIN No.: 01741612  
 Place: Mumbai  
 Date: 08 May 2024

 Maninder Singh Juneja  
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 DIN No.: 02680016  
 Place: Mumbai  
 Date: 08 May 2024

 Nutan Gaba Patwari  
 Chief Financial Officer  
 Place: Mumbai  
 Date: 08 May 2024

 Shreyans Bachhawat  
 Company Secretary  
 Place: Mumbai  
 Date: 08 May 2024

# Annual Accounts

## Statement of cash flows for the year ended 31 March 2024

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of share capital (including share premium)	51.93	42.73
Proceeds from borrowings from banks and financial institutions	39,000.00	21,540.00
Repayment of borrowings from banks and financial institutions	(13,409.97)	(9,780.79)
Repayment of lease liability	(71.19)	(57.88)
Proceeds from issue of non-convertible debentures	-	2,800.00
Repayment of debt securities	(700.00)	(990.00)
Proceeds from/ (Repayment of) demand loans	57.97	(24.82)
Dividend paid on equity shares	(228.96)	-
<b>Net cash generated from financing activities [C]</b>	<b>24,699.78</b>	<b>13,529.24</b>
<b>Net increase/ (decrease) in cash and cash equivalents [A+B+C]</b>	<b>3,449.12</b>	<b>(3,821.95)</b>
Cash and cash equivalents at the beginning of the year	2,355.65	6,177.60
<b>Cash and cash equivalents at the end of the year (Refer note 2)</b>	<b>5,804.77</b>	<b>2,355.65</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.50	0.64
Balances with banks		
- in current accounts	2,109.98	1,611.76
- in deposits with original maturity of 3 months or less	3,694.29	741.88
Others	-	1.37
<b>Cash and cash equivalents</b>	<b>5,804.77</b>	<b>2,355.65</b>

## Changes in liabilities arising from financing activities

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance (Borrowings and debt securities)	48,134.73	34,667.67
Proceeds from borrowings	39,000.00	21,540.00
Proceeds from issue of non-convertible debentures	-	2,800.00
Repayments of borrowings	(13,409.97)	(9,780.79)
Repayments of debt securities	(700.00)	(990.00)
Proceeds from/ (Repayment of) demand loans	57.97	(24.82)
Others	(61.71)	(77.33)
<b>Closing balance (Borrowings and debt securities)</b>	<b>73,021.02</b>	<b>48,134.73</b>

Statement of cash flows has been prepared under indirect method as set out in the Ind AS 7 - Statement of Cash Flows.

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

As per our report of even date

For and on behalf of the Board of Directors

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

G. K. Subramaniam  
Partner  
Membership No.: 109839  
Place: Mumbai  
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Chief Financial Officer  
Place: Mumbai  
Date: 08 May 2024

Shreyans Bachhawat  
Company Secretary  
Place: Mumbai  
Date: 08 May 2024

# Annual Accounts

Notes forming part of the financial statements ■

## Corporate information

Home First Finance Company India Limited (the 'Company') is a Housing Finance Company founded on 03 February 2010 with offices across various cities in India having its registered head office is located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company obtained its license to carry on the business of a housing finance institution from National Housing Bank ('NHB') on 11 August 2010. The Company was converted to a public limited Company with effect from 14 March 2018. The Company's equity shares were listed on National Stock Exchange of India Limited (NSE) and on BSE Limited (BSE) on 03 February 2021. The Company's main business is financing by way of loans towards affordable housing segment in India and is primarily engaged in the business of lending of housing loans, loans for the purpose of purchasing a commercial property and loan against property.

### 1. Material accounting policy information

#### 1.1 Basis of preparation and presentation

##### Statement of Compliance

The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows (the "financial statements") have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the National Housing Bank ("NHB") and the Reserve Bank of India ("RBI") to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Details of the Company's accounting policies are disclosed below.

##### Presentation of Financial Statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. As required by Division III of Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in the order of liquidity.

## Functional and presentation currency

The financial statements are presented in Indian Rupees and are rounded off to the nearest million to two decimal places, unless otherwise indicated. Per share data is presented in Indian Rupee rounded off to two decimal places.

### Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the Company.

Fair value is the price that is likely to be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 'Share based Payment', leasing transactions that are within the scope of Ind AS 116 'Leases'.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

# Annual Accounts

Notes forming part of the financial statements

- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

## 1.2 Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues and expenses during the year, and the reported amounts of assets and liabilities, the disclosure of contingent liabilities, at the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of these estimates include useful lives of property, plant and equipment, expected credit loss allowance, future obligations under employee benefit plans, income taxes, business model assessment, share-based payments, determination of prepayment rate, discounting rates, determining lease parameters, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

### i) Impairment of financial assets

The measurement of impairment losses on across all categories of financial assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying

assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL model, including the calculation of Probability of Defaults (PDs), Loss Given Default (LGD).
- Assessment of qualitative factors having an impact on the credit risk.

The measurement of all expected credit losses for financial assets held at the reporting date is based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of Probability of Defaults (PDs), Loss Given Default (LGD), a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (Refer note 4 and 34).

### ii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

### iii) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature,

# Annual Accounts

Notes forming part of the financial statements ■

a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## 1.3 Financial instruments

### i) Financial assets

#### Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those financial assets classified as at fair value through profit and loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in the statement of profit and loss.

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through the statement of profit and loss), and
- those measured at amortised cost.

#### Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company considers the frequency, volume and timing of sale of portfolios in prior period, the reason for such sale of portfolios, and its expectations about future sales activity. However, information about sale of portfolios activity is not considered in isolation, but as part of a holistic assessment of how Company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sale of portfolios in the context of the reasons for those sale of portfolios and the conditions that existed at that time as compared to current conditions.

Based on this assessment of current conditions and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset

give rise to cash flows that are solely payments of principal and interest (the 'SPPI criterion').

The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### Subsequent measurement

**Financial assets at amortised cost** – The financial asset is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Financial assets at FVTPL/FVOCI** - For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other comprehensive income. Investments in equity instruments are classified as FVTPL unless the Investment is not held for trading and the Company irrevocably elects at initial recognition to present subsequent changes in fair value through other comprehensive income (FVOCI).

#### Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly, the measurement principles applicable to the new classification will be applied. There was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made during the year ended 31 March 2024 and 31 March 2023.

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## Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The measurement of ECL is calculated using three main components:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) the exposure at default (EAD).

Probability of Default (PD) is the probability of whether borrowers will default on their obligations which are calculated based on historical default rate summary of past years using vintage analysis.

Loss Given Default (LGD) is an estimate of the loss from a financial asset given that a default occurs. The LGD is computed using the Company's own loss and recovery experience. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and the EAD. The 12 months and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instruments respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is

expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

### Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 30 days are classified as Stage 1. The Company has provided ECL on the undisbursed loan commitments classified under Stage 1.

### Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 31 days but less than or equal to 90 days are classified as Stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for the financial asset since initial recognition by comparing the risk of a default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 31 days and less than or equal to 60 days and cases with DPD equal to or more than 61 days and less than or equal to 90 days as two separate buckets.

### Stage 3: Lifetime ECL – credit impaired

A financial asset is assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For a financial asset that has become credit-impaired, a lifetime ECL is recognised on principal outstanding as at the year end. Exposures with DPD more than 90 days are classified as Stage 3.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when the accounts are overdue for more than 30 days. Accounts that are overdue for more than 90 days are moved to Stage 3.

Inputs, assumptions and estimation techniques used for estimating ECL: Refer note 4

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## Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit and loss.

On derecognition of a part of financial asset in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) shall be recognised in the statement of profit and loss.

Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

## Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-months or lifetime ECL.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days + cases identified by the Company as Stage 3 as per regulatory guidelines + Objective evidence for impairment (Qualitative overlay); or
- the borrower is unlikely to pay its credit obligations to the Company.

When assessing if the borrower is unlikely to pay its credit obligation, the Company considers both qualitative and quantitative indicators.

## Write-offs

Impaired loans and receivables are written off, against the related allowance for loan impairment in accordance with the Company's policies and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case-by-case basis. A write-off constitutes a derecognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

## Collateral Valuation and Repossession

The Company provides fully secured loans to individuals and Corporates to mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI"). In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

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## Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change of counterparty, the extent of change in interest rates, maturity, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If there is a significant difference in present value, the Company deems the arrangement substantially different, leading to derecognition.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification does not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance is continued to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans is generally measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

## ii) Financial liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's equity instruments.

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Notes forming part of the financial statements ■

## Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at FVTPL. Financial liabilities are never reclassified.

## Initial recognition and measurement

A financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that are attributable to the acquisition of the financial liability. Cost equates the fair value on the acquisition.

## Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

## Derivative financial instruments

The Company enters in to derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivative contracts are initially recognised at fair value at the date a derivative contract is entered in to and are subsequently remeasured at fair value at each Balance sheet date and the resulting gain or loss is recognised in the statement of profit and loss. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

## Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised

amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 1.4 Property, plant and equipment, other intangible assets

Property, plant and equipment and other intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and other intangible assets not ready for their intended use before such date is disclosed under Capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit or loss.

## Depreciation and Amortisation

Depreciation in respect of assets is provided on the Straight-Line Method as per Schedule II of the Act. Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company follows estimated useful lives which are given under Part C of the Schedule II of the Act. The estimated useful lives of items of property, plant and equipment for the current period is as follows:

Property, plant and equipment	Estimated useful life (In years)
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
<b>Other intangible assets</b>	
Computer software	3

Property, plant and equipment purchased/ sold during the year are depreciated on a pro-rata basis.

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## 1.5 Revenue Recognition

### i) Interest income

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

#### Effective Interest Rate ("EIR")

EIR is the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation considers all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset (Gross Value less ECL provision). If the financial assets cures and are no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

### ii) Fees and other revenue

Fees income includes fees other than those that are an integral part of EIR. The Company recognises such fees income in accordance with the terms of relevant contracts/agreements with the customers.

### iii) Investment income

Investments in units of mutual funds are measured at FVTPL and the gain or loss on sale as well as fair value changes from these investments are presented under net gain on fair value changes in the statement of profit and loss.

### iv) Income from transfer and servicing of assets

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognisation of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised

in the Statement of Profit and Loss.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

### v) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

## 1.6 Taxes on income

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to an item that is recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for the deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which

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the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 1.7 Leases:

The Company's leased assets primarily consist of leases for buildings. The Company assesses whether a contract contains a lease as defined under Ind AS 116 – Leases, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset;
- ii. the Company has substantially all of the economic benefits from the use of the asset through the period of the lease; and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low-

value assets. For these short-term and low-value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

Lease liability and ROU asset have been separately presented in the balance sheet.

## 1.8 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency

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at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance sheet date at the closing exchange rate are recognised in the statement of profit or loss in the period in which they arise.

## 1.9 Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash-generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. The impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

## 1.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks and financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 1.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is

probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## 1.12 Commitments

Commitments are future contractual liabilities, classified and disclosed as follows:

- a. The estimated amount of contracts remaining to be executed on capital account and not provided for;
- b. Uncalled liability on shares;
- c. Undisbursed commitment relating to loans; and
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

## 1.13 Employee benefits

### i. Post-employment benefits

#### Defined contribution plan

The Company's contributions to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

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The Company contributes 10% of the basic salary for certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension management companies. The Company also gives an option to its employees to receive the amount in lieu of such contribution along with the monthly salary during their employment.

## Defined benefit plans

### Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## ii. Other long-term employee benefits

### Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include salaries, wages, performance incentive, short term compensated absences and expected cost of bonus which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### 1.14 Dividend on equity shares

The Company recognises a liability for distribution of dividend to the equity shareholders when the dividend is authorised and the distribution is no longer at the discretion of the Company. Interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders.

### 1.15 Share-based payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life

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of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in Note 37.

The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit and loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 1.16 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33 'Earnings Per Share'.

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) attributable to equity shareholders by the weighted average number of equity shares outstanding. The weighted average number of equity shares outstanding is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

## 1.17 Share issue expense

Share issue expenses are adjusted from the securities premium account in terms of section 52 of the Act.

## 1.18 Finance Costs

Finance costs include interest expense calculated using the EIR on respective financial instruments and

borrowings including foreign currency borrowings measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. All other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

## 1.19 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments as per section 52 of the Act.

## 1.20 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

## 1.21 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

## 1.22 Operating Segments

The Company's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate or certain other purposes, in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

## STANDARD ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs ("MCA"), through notifications, introduces new standards or notifies amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015, from time to time. There is no such notification which would have been applicable with effect from 01 April 2024.

# Annual Accounts

Notes forming part of the financial statements

## 2 Cash and cash equivalents

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.50	0.64
Balances with banks in current accounts	2,109.98	1,611.76
Deposits with original maturity of 3 months or less	3,694.29	741.88
Others	-	1.37
	<b>5,804.77</b>	<b>2,355.65</b>

Note: Refer note 13 and 14 (i)

## 3 Bank balance other than cash and cash equivalents

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than 3 months but less than 12 months*	2,270.25	488.45
Deposits with original maturity of more than 12 months*	140.00	140.00
Earmarked balances with banks against unclaimed dividend	0.07	-
	<b>2,410.32</b>	<b>628.45</b>

\*Bank deposits include deposits of ₹ 392.82 million (31 March 2023: ₹ 374.02 million) held as security against the bank guarantee provided on behalf of the Company, refer note 14 (iv). Bank deposits of ₹ 50.00 million (31 March 2023: ₹ 50.00 million) are held as security against the bank overdraft.

Note: Refer note 13 and 14 (i)

## 4 Loans

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
<b>Loans carried at amortised cost</b>		
Term loans (gross)*	82,126.23	60,521.22
<b>Total gross</b>	<b>82,126.23</b>	<b>60,521.22</b>
Less - Impairment loss allowance (Refer note 4.1 (a))	(691.85)	(564.22)
<b>Total term loans (net)</b>	<b>81,434.38</b>	<b>59,957.00</b>

\*The term loans are secured by tangible assets. Further, all the term loans are disbursed in India to parties other than public sector. Term loans includes staff loans amounting to ₹ 245.65 million (31 March 2023: ₹ 148.97 million).

#### 4. Impairment allowance

4.1(a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows: (₹ in million)

Home loan	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>								
Opening balance	49,946.45	603.65	895.27	<b>51,445.37</b>	37,070.60	589.24	936.23	<b>38,596.07</b>
New assets originated/ significant increase in credit risk	29,300.00	111.63	112.12	<b>29,523.75</b>	23,055.83	81.10	103.36	<b>23,240.29</b>
Assets derecognised or repaid	(12,357.26)	(124.73)	(294.96)	<b>(12,776.95)</b>	(9,884.31)	(111.91)	(280.85)	<b>(10,277.07)</b>
Amounts written off (Refer note 25)	(14.12)	(9.98)	(97.99)	<b>(122.09)</b>	(8.23)	(4.18)	(101.51)	<b>(113.92)</b>
Transfers from Stage 1	(1,204.47)	591.11	613.36	-	(642.01)	328.46	313.55	-
Transfers from Stage 2	180.55	(335.86)	155.31	-	179.74	(318.68)	138.94	-
Transfers from Stage 3	160.11	31.69	(191.80)	-	174.83	39.62	(214.45)	-
<b>Closing balance</b>	<b>66,011.26</b>	<b>867.51</b>	<b>1,191.31</b>	<b>68,070.08</b>	<b>49,946.45</b>	<b>603.65</b>	<b>895.27</b>	<b>51,445.37</b>

(₹ in million)

Home loan	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance</b>								
Opening balance	128.63	65.69	311.62	<b>505.94</b>	106.87	78.97	238.98	<b>424.82</b>
New assets originated/ significant increase in credit risk	73.05	57.48	209.39	<b>339.92</b>	54.08	33.73	209.57	<b>297.38</b>
Assets derecognised or repaid	(86.44)	(12.27)	(35.18)	<b>(133.89)</b>	(79.65)	(13.55)	(33.04)	<b>(126.24)</b>
Amounts written off	(0.31)	(3.55)	(121.54)	<b>(125.40)</b>	(0.56)	(3.06)	(86.40)	<b>(90.02)</b>
Transfers from Stage 1	(5.36)	1.56	3.80	-	(3.86)	1.64	2.22	-
Transfers from Stage 2	16.83	(33.39)	16.56	-	20.39	(40.61)	20.22	-
Transfers from Stage 3	33.21	9.30	(42.51)	-	31.36	8.57	(39.93)	-
<b>Closing balance</b>	<b>159.61</b>	<b>84.82</b>	<b>342.14</b>	<b>586.57</b>	<b>128.63</b>	<b>65.69</b>	<b>311.62</b>	<b>505.94</b>

(₹ in million)

Loan against property	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>								
Opening balance	8,020.85	85.00	66.37	<b>8,172.22</b>	4,061.57	60.92	68.72	<b>4,191.21</b>
New assets originated / significant increase in credit risk	6,265.72	9.73	9.15	<b>6,284.60</b>	4,705.78	7.10	4.71	<b>4,717.59</b>
Assets derecognised or repaid	(1,435.69)	(22.09)	(23.02)	<b>(1,480.80)</b>	(713.48)	(8.80)	(14.42)	<b>(736.70)</b>
Amounts written off (Refer note 25)	(0.08)	-	(2.24)	<b>(2.32)</b>	(0.01)	(0.02)	0.15	<b>0.12</b>
Transfers from Stage 1	(172.07)	92.44	79.63	-	(76.60)	49.11	27.49	-
Transfers from Stage 2	29.91	(43.40)	13.49	-	15.04	(28.87)	13.83	-
Transfers from Stage 3	11.14	5.38	(16.52)	-	28.55	5.56	(34.11)	-
<b>Closing balance</b>	<b>12,719.78</b>	<b>127.06</b>	<b>126.86</b>	<b>12,973.70</b>	<b>8,020.85</b>	<b>85.00</b>	<b>66.37</b>	<b>8,172.22</b>

# Annual Accounts

Notes forming part of the financial statements

(₹ in million)

Loan against property	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance</b>								
Opening balance	10.68	6.17	16.26	<b>33.11</b>	8.56	7.53	11.36	<b>27.45</b>
New assets originated/significant increase in credit risk	6.65	4.25	15.61	<b>26.51</b>	5.68	2.42	10.62	<b>18.72</b>
Assets derecognised or repaid	(6.12)	(2.27)	(4.13)	<b>(12.52)</b>	(8.50)	(1.96)	(2.60)	<b>(13.06)</b>
Amounts written off	-	-	(4.37)	<b>(4.37)</b>	-	-	-	-
Transfers from Stage 1	(0.20)	0.11	0.09	-	(0.19)	0.12	0.07	-
Transfers from Stage 2	1.40	(2.20)	0.80	-	1.25	(3.03)	1.78	-
Transfers from Stage 3	1.17	1.90	(3.07)	-	3.88	1.09	(4.97)	-
<b>Closing balance</b>	<b>13.58</b>	<b>7.96</b>	<b>21.19</b>	<b>42.73</b>	<b>10.68</b>	<b>6.17</b>	<b>16.26</b>	<b>33.11</b>

(₹ in million)

Commercial loan	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>								
Opening balance	712.74	8.58	12.26	<b>733.58</b>	478.79	10.27	10.28	<b>499.34</b>
New assets originated/ significant increase in credit risk	421.58	3.29	0.60	<b>425.47</b>	335.01	2.91	1.76	<b>339.68</b>
Assets derecognised or repaid	(127.39)	(2.34)	(3.33)	<b>(133.06)</b>	(102.13)	(0.54)	(2.25)	<b>(104.92)</b>
Amounts written off (Refer note 25)	(0.16)	(0.20)	(0.72)	<b>(1.08)</b>	-	(0.01)	(0.51)	<b>(0.52)</b>
Transfers from Stage 1	(21.97)	11.30	10.67	-	(5.98)	2.53	3.45	-
Transfers from Stage 2	1.28	(3.79)	2.51	-	3.17	(6.88)	3.71	-
Transfers from Stage 3	2.56	1.74	(4.30)	-	3.88	0.30	(4.18)	-
<b>Closing balance</b>	<b>988.64</b>	<b>18.58</b>	<b>17.69</b>	<b>1,024.91</b>	<b>712.74</b>	<b>8.58</b>	<b>12.26</b>	<b>733.58</b>

(₹ in million)

Commercial loan	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance</b>								
Opening balance	6.69	0.58	2.82	<b>10.09</b>	4.50	1.39	2.17	<b>8.06</b>
New assets originated/significant increase in credit risk	4.23	1.36	3.34	<b>8.93</b>	3.24	0.32	1.53	<b>5.09</b>
Assets derecognised or repaid	(1.97)	(0.08)	(0.09)	<b>(2.14)</b>	(1.72)	(0.14)	(0.75)	<b>(2.61)</b>
Amounts written off	(0.01)	(0.07)	(0.99)	<b>(1.07)</b>	-	-	(0.45)	<b>(0.45)</b>
Transfers from Stage 1	(0.19)	0.09	0.10	-	(0.05)	0.02	0.03	-
Transfers from Stage 2	0.11	(0.27)	0.16	-	0.35	(1.04)	0.69	-
Transfers from Stage 3	0.42	0.56	(0.98)	-	0.37	0.03	(0.40)	-
<b>Closing balance</b>	<b>9.28</b>	<b>2.17</b>	<b>4.36</b>	<b>15.81</b>	<b>6.69</b>	<b>0.58</b>	<b>2.82</b>	<b>10.09</b>

(₹ in million)

Construction finance	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>								
Opening balance	108.67	61.38	-	<b>170.05</b>	178.93	49.60	-	<b>228.54</b>
New assets originated/ significant increase in credit risk	-	-	-	-	-	-	-	-
Assets derecognised or repaid	(86.44)	(5.35)	(20.72)	<b>(112.51)</b>	(47.96)	(10.53)	-	<b>(58.49)</b>
Amounts written off (Refer note 25)	-	-	-	-	-	-	-	-
Transfers from Stage 1	(22.23)	-	22.23	-	(22.31)	22.31	-	-
Transfers from Stage 2	-	(56.03)	56.03	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>57.54</b>	<b>57.54</b>	<b>108.67</b>	<b>61.38</b>	-	<b>170.05</b>

(₹ in million)

Construction finance	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance</b>								
Opening balance	1.02	14.06	-	<b>15.08</b>	1.69	4.48	-	<b>6.17</b>
New assets originated/significant increase in credit risk	-	-	34.95	<b>34.95</b>	-	9.82	-	<b>9.82</b>
Assets derecognised or repaid	(0.81)	(0.81)	(1.67)	<b>(3.29)</b>	(0.46)	(0.45)	-	<b>(0.91)</b>
Amounts written off	-	-	-	-	-	-	-	-
Transfers from Stage 1	(0.21)	-	0.21	-	(0.21)	0.21	-	-
Transfers from Stage 2	-	(13.25)	13.25	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>46.74</b>	<b>46.74</b>	<b>1.02</b>	<b>14.06</b>	-	<b>15.08</b>

**4.1(b) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is as follows:**

(₹ in million)

Loan commitments	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount</b>								
Opening balance	10,123.35	34.89	36.29	<b>10,194.53</b>	7,341.25	76.85	33.58	<b>7,451.68</b>
New assets originated/significant increase in credit risk	10,277.35	5.90	2.82	<b>10,286.07</b>	8,690.17	4.45	3.81	<b>8,698.43</b>
Assets derecognised or repaid	(8,532.49)	(10.84)	(34.91)	<b>(8,578.24)</b>	(5,879.35)	(56.74)	(19.49)	<b>(5,955.58)</b>
Transfers from Stage 1	(57.04)	22.44	34.60	-	(33.28)	15.54	17.74	-
Transfers from Stage 2	4.94	(26.68)	21.74	-	3.68	(6.02)	2.34	-
Transfers from Stage 3	1.25	-	(1.25)	-	0.88	0.81	(1.69)	-
<b>Closing balance</b>	<b>11,817.36</b>	<b>25.71</b>	<b>59.29</b>	<b>11,902.36</b>	<b>10,123.35</b>	<b>34.89</b>	<b>36.29</b>	<b>10,194.53</b>

Note: Loan commitments are classified as above based on the staging of the borrower's outstanding loan, if any.

(₹ in million)

Loan commitments	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance</b>								
Opening balance	15.12	-	-	<b>15.12</b>	11.28	-	-	<b>11.28</b>
New assets originated/significant increase in credit risk	15.28	-	-	<b>15.28</b>	12.86	-	-	<b>12.86</b>
Assets derecognised or repaid	(13.46)	-	-	<b>(13.46)</b>	(9.02)	-	-	<b>(9.02)</b>
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>16.94</b>	-	-	<b>16.94</b>	<b>15.12</b>	-	-	<b>15.12</b>

#### 4.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes.

##### Definition of default

The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become more than 90 days past due on its contractual payments and these assets continue to be classified as Stage 3 till the entire overdues are received, in accordance with the RBI guidelines and the ECL Policy.

##### Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

##### Probability of default

Probability of default (PD) represents the likelihood of default over a defined time horizon.

##### Loss given default

Loss given default (LGD) has been calculated by taking into account the recovery experience across the Company's loan accounts post default. The recoveries netted off by expenses incurred for recovery, are tracked and discounted to the date of default using the interest rate.

##### Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due and/ or when the accounts have been restructured under the RBI 'Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses' Guidelines.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

# Annual Accounts

Notes forming part of the financial statements

## Grouping financial assets measured on a collective basis

As explained above, the Company calculates ECL on a collective basis on the following broad asset classes:

- Home loans
- Loan against property
- Commercial loan
- Construction finance

## Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

The Company considers qualitative factors and creates additional provisions in relation to specific borrowers

over and above the ECL model based on the evaluation of the expected cash flows.

## Collateral

The Company holds collateral to mitigate credit risk associated with financial assets that are measured at amortised cost. The main types of collateral include residential and commercial properties.

## Assets possessed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Loan Portfolio includes gross loans amounting to ₹ 261.33 million (31 March 2023: ₹ 169.18 million), out of which ₹ 21.00 million (31 March 2023: ₹ 27.57 million) pertains to retained portion of loans from the assigned portfolio, against which the Company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against these loans is ₹ 411.38 million (31 March 2023: ₹ 312.56 million). Value of repossessed assets for loans written off is ₹ 52.16 million (31 March 2023: ₹ 35.12 million).

## 5 Investments

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>Carried at fair value through profit and loss - Quoted</b>		
Investments in Mutual funds	1,614.08	1,250.04
<b>Carried at amortised cost - Quoted</b>		
Investments in Government Securities*	2,174.05	1,557.95
<b>Total</b>	<b>3,788.13</b>	<b>2,807.99</b>
Investment in India	3,788.13	2,807.99
Investment outside India	-	-
	<b>3,788.13</b>	<b>2,807.99</b>

\*The Company has not recognised any provision under expected credit loss on Investments in Government Securities.

## 6 Other financial assets

(₹ in million)

	As at 31 Mar 2024	As at 31 Mar 2023
Receivables from assigned portfolio (gross)*	1,348.11	1,136.04
Less: provision for expected credit loss	(17.47)	(18.14)
Receivables from assigned portfolio (net)	1,330.64	1,117.90
Security deposits	28.95	25.44
Salary advance to employees	21.63	22.72
Other deposits	1.09	1.09
Other advances	13.19	36.40
Other receivables	45.20	37.42
	<b>1,440.70</b>	<b>1,240.97</b>

\*With respect to assignment deals, the Company has created an excess interest strip receivable, with corresponding credit to statement of profit and loss for the year, which has been computed by discounting excess interest spread to present value, in accordance with Ind AS 109 'Financial instruments'.

**7 Current tax assets (net)**

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provision)*	2.78	25.80
	<b>2.78</b>	<b>25.80</b>

\*Net of provision for tax Nil (31 March 2023: ₹708.34 million).

**7.1 Current tax liabilities (net)**

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of advance tax)*	39.95	19.36
	<b>39.95</b>	<b>19.36</b>

\*Net of advance tax of ₹1,181.66 million (31 March 2023: ₹242.28 million).

**8 Property, plant and equipment and other intangible assets**

(₹ in million)

	Property, plant and equipment						Other intangible assets	
	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Right of use assets	Total tangible assets	Computer software	Total other intangible assets
<b>Gross carrying value</b>								
<b>As at 01 April 2022</b>	<b>62.78</b>	<b>23.78</b>	<b>45.75</b>	<b>70.24</b>	<b>166.18</b>	<b>368.73</b>	<b>21.06</b>	<b>21.06</b>
Additions for the year ended 31 March 2023	7.16	7.19	25.05	23.68	80.69	143.77	3.48	3.48
Sale / deletion for the year ended 31 March 2023	(0.24)	(0.04)	(0.37)	(0.54)	(25.74)	(26.93)	-	-
<b>As at 31 March 2023</b>	<b>69.70</b>	<b>30.93</b>	<b>70.43</b>	<b>93.38</b>	<b>221.13</b>	<b>485.57</b>	<b>24.54</b>	<b>24.54</b>
Additions for the year ended 31 March 2024	7.62	8.24	20.80	43.14	85.09	164.89	0.38	0.38
Sale / deletion for the year ended 31 March 2024	(9.71)	(0.66)	(0.04)	(0.87)	(17.57)	(28.85)	-	-
<b>As at 31 March 2024</b>	<b>67.61</b>	<b>38.51</b>	<b>91.19</b>	<b>135.65</b>	<b>288.65</b>	<b>621.61</b>	<b>24.92</b>	<b>24.92</b>
<b>Accumulated depreciation / amortisation</b>								
<b>As at 01 April 2022</b>	<b>26.04</b>	<b>12.67</b>	<b>25.33</b>	<b>47.54</b>	<b>57.18</b>	<b>168.76</b>	<b>18.71</b>	<b>18.71</b>
Charge for the year ended 31 March 2023	6.26	4.28	12.75	14.13	51.20	88.62	2.04	2.04
Sale / deletion for the year ended 31 March 2023	(0.10)	(0.04)	(0.26)	(0.51)	(24.37)	(25.28)	-	-
<b>As at 31 March 2023</b>	<b>32.20</b>	<b>16.91</b>	<b>37.82</b>	<b>61.16</b>	<b>84.01</b>	<b>232.10</b>	<b>20.75</b>	<b>20.75</b>
Charge for the year ended 31 March 2024	6.63	4.83	17.10	23.45	63.25	115.26	2.03	2.03
Sale / deletion for the year ended 31 March 2024	(7.36)	(0.61)	(0.01)	(0.87)	(15.05)	(23.90)	-	-
<b>As at 31 March 2024</b>	<b>31.47</b>	<b>21.13</b>	<b>54.91</b>	<b>83.74</b>	<b>132.21</b>	<b>323.46</b>	<b>22.78</b>	<b>22.78</b>
<b>Net carrying value</b>								
<b>As at 31 March 2023</b>	<b>37.50</b>	<b>14.02</b>	<b>32.61</b>	<b>32.22</b>	<b>137.12</b>	<b>253.47</b>	<b>3.79</b>	<b>3.79</b>
<b>As at 31 March 2024</b>	<b>36.14</b>	<b>17.38</b>	<b>36.28</b>	<b>51.92</b>	<b>156.44</b>	<b>298.16</b>	<b>2.14</b>	<b>2.14</b>

**Notes:** 1. There have been no acquisitions through business combinations and no change of amount due to revaluation of Property, plant and equipment and other intangible assets during the year ended 31 March 2024 and 31 March 2023.

2. Other intangible assets represent assets acquired by the Company and are not internally generated intangible assets.

# Annual Accounts

Notes forming part of the financial statements

## 9 Intangible assets under development

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Intangible assets under development	1.81	0.46
	<b>1.81</b>	<b>0.46</b>

### Intangible assets under development ageing schedule

(₹ in million)

Particulars	Intangible assets under development for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at 31 March 2024</b>					
Projects in progress	1.35	0.46	-	-	1.81
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.35</b>	<b>0.46</b>	<b>-</b>	<b>-</b>	<b>1.81</b>
<b>As at 31 March 2023</b>					
Projects in progress	0.46	-	-	-	0.46
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.46</b>

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

## 10 Other non-financial assets

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	103.89	71.99
Advance to creditors	14.24	4.40
Capital advances	5.22	6.79
Balance receivable from Government authorities	1.77	4.53
	<b>125.12</b>	<b>87.71</b>

## 11 Derivative financial instruments

	As at 31 March 2024		As at 31 March 2023	
	Notional amounts*	Fair Value - Liabilities	Notional amounts*	Fair Value - Liabilities
<b>Part I</b>				
<b>(i) Currency derivatives:</b>				
- Forward contracts	4,530.79	3.44	-	-
	<b>4,530.79</b>	<b>3.44</b>	<b>-</b>	<b>-</b>
<b>Part II</b>				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
<b>(i) Undesignated derivatives:</b>				
- Forward contracts	4,530.79	3.44	-	-
	<b>4,530.79</b>	<b>3.44</b>	<b>-</b>	<b>-</b>

\* The notional amounts are not indicative of either the market risk or credit risk. Notional amounts of the respective currencies have been converted using exchange rates as at the balance sheet date.

### Hedging activities and derivatives

The Company is exposed to currency risk on its outstanding foreign currency borrowing amounting to ₹ 4,442.95 million (31 March 2023: Nil) which is primarily mitigated using derivative financial instruments. Refer note 14 (v) and note 33 for foreign currency risk disclosures.

# Annual Accounts

Notes forming part of the financial statements

## 12 Trade payables

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	0.31	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	114.54	149.13
	<b>114.85</b>	<b>149.13</b>

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as mentioned below is based on information received and available with the Company and relied upon by the statutory auditors.

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Principal amount remaining unpaid	0.31	-
Interest due thereon remaining unpaid	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

## Trade Payables ageing schedule

(₹ in million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<b>As at 31 March 2024</b>					
(i) MSME	0.31	-	-	-	<b>0.31</b>
(ii) Others	0.68	-	-	-	<b>0.68</b>
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>0.99</b>	-	-	-	<b>0.99</b>
Unbilled dues					113.86
<b>Total</b>					<b>114.85</b>
<b>As at 31 March 2023</b>					
(i) MSME	-	-	-	-	-
(ii) Others	72.88	-	-	-	<b>72.88</b>
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>72.88</b>	-	-	-	<b>72.88</b>
Unbilled dues					76.25
<b>Total</b>					<b>149.13</b>

# Annual Accounts

Notes forming part of the financial statements

## 13 Debt securities

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>At amortised cost</b>		
Debentures (Secured)	2,775.28	3,469.49
	<b>2,775.28</b>	<b>3,469.49</b>
Debt securities in India	2,775.28	3,469.49
Debt securities outside India	-	-
	<b>2,775.28</b>	<b>3,469.49</b>

## Details of redeemable non convertible debentures

(₹ in million)

	Redemption date	Rate of interest (p.a.)	Original Maturity	As at 31 March 2024	As at 31 March 2023
Series 1	9 June 2023	9.50%	3 years	-	450.00
Series 2	16 June 2023	9.50%	3 years	-	250.00
Series 6	23 December 2025	8.93% to 9.02%	3 to 7 years	2,800.00	2,800.00
<b>Total debt securities</b>				<b>2,800.00</b>	<b>3,500.00</b>
Adjustment of unamortised processing fee (EIR)				(24.72)	(30.51)
<b>Total adjusted debt securities</b>				<b>2,775.28</b>	<b>3,469.49</b>

The Company has outstanding 2,800 debentures (31 March 2023: 2,800 debentures) at a face value of ₹1.00 million which are unlisted and 700 debentures as at 31 March 2023 at a face value of ₹ 1.00 million which were listed on wholesale debt segment of BSE; and secured against the first pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the issuer) by way of hypothecation on the Company's present and future receivables and book debts, cash and cash equivalents and investments, as may be identified by the Company on a time to time basis.

## 14 Borrowings (other than debt securities)

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
<b>At amortised cost</b>		
Term loans		
- from banks	53,006.46	34,407.24
- from National Housing Bank (NHB)	15,696.42	9,129.86
- from other parties	1,484.89	1,128.14
Loans repayable on demand - from banks	57.97	-
	<b>70,245.74</b>	<b>44,665.24</b>
Borrowings in India (Refer note (v) below)	70,245.74	44,665.24
Borrowings outside India	-	-
	<b>70,245.74</b>	<b>44,665.24</b>

# Annual Accounts

Notes forming part of the financial statements

## Notes:

- (i) All borrowings are secured against the loan assets, investments, cash and cash equivalents and bank balances other than cash and cash equivalents of the Company to the extent of required asset cover as per sanctioned terms.
- (ii) The repayment of the borrowing is done in monthly, quarterly and half - yearly instalment as per the sanctioned terms.
- (iii) The Company has not made any default in repayment of instalments due over the reporting year.
- (iv) Bank guarantees of ₹ 340.00 million and ₹ 10.00 million for term loans from NHB is provided by Axis Bank Limited and Central Bank of India (31 March 2023: ₹ 340.00 million and ₹ 10.00 million) respectively on behalf of the Company to NHB. Total outstanding balance as at 31 March 2024 for such term loans is ₹ 2,468.75 million (31 March 2023: ₹ 3,406.65 million).
- (v) Borrowings in India includes outstanding foreign currency borrowings amounting to ₹ 4,442.95 million (31 March 2023: Nil) for which the Company has entered in to forward contracts to hedge the foreign currency risk.

## Terms of repayment of term loans

(₹ in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2024	As at 31 March 2023
2%-3%	Less than 5 years	1,738.78	506.73
3%-4%		1,707.33	2,273.67
4%-5%		457.48	770.41
5%-6%		3,698.76	-
6%-7%		54.98	4,806.19
7%-8%		2,978.11	215.30
8%-9%		32,758.15	23,702.49
9%-10%		18,098.20	6,794.30
10%-11%		-	764.25
2%-3%		5-7 years	-
5%-6%	1,032.48		-
6%-7%	-		397.26
7%-8%	872.80		-
8%-9%	5,253.36		3,377.03
9%-10%	394.20		330.29
10%-11%	-	160.71	
2%-3%	7-10 years	-	116.94
7%-8%		848.61	-
8%-9%		280.40	208.48
9%-10%		85.71	-
8%-9%	More than 10 years	-	132.14
9%-10%		103.57	-
<b>Total borrowings (excluding loans repayable on demand)</b>		<b>70,362.92</b>	<b>44,769.55</b>
Adjustment of unamortised processing fee (EIR)		(175.15)	(104.31)
<b>Total adjusted borrowings (excluding loans repayable on demand)</b>		<b>70,187.77</b>	<b>44,665.24</b>

## Terms of repayment of demand loans

(₹ in million)

Rate of interest (p.a.)	Maturity	As at 31 March 2024	As at 31 March 2023
9%-10%	Less than 5 years	57.97	-

# Annual Accounts

Notes forming part of the financial statements

## 15 Other financial liabilities

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	138.59	138.18
Interest accrued but not due on debt securities	66.43	120.06
Lease liabilities (Refer note 39)	169.00	147.73
Amounts payable under assignment of receivables (collections made on behalf of assignee)	253.58	223.32
Amounts payable under co-lending	13.44	15.73
Unclaimed dividend*	0.07	-
Payable to NHB against credit linked subsidy scheme (CLSS)**	5.09	2.54
Employee benefits payable	115.82	84.35
Other financial liabilities	26.49	22.55
	<b>788.51</b>	<b>754.46</b>

\* There were no undisputed amounts which were due and remained unpaid to the Investor Education and Protection Fund as at 31 March 2024.

\*\* Represents subsidy received earlier to be refunded by the company subsequently.

## 16 Provisions

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits - gratuity (Refer note 36 A)	47.77	37.82
Provision for employee benefits - compensated absences (Refer note 36 C)	9.13	6.62
Provision for expected credit loss on undisbursed loan commitment (Refer note 4.1(b))	16.94	15.12
	<b>73.84</b>	<b>59.56</b>

## 17 Other non-financial liabilities

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Deferred income	55.51	48.11
Statutory remittances	27.59	50.87
	<b>83.10</b>	<b>98.98</b>

## 18 Equity share capital

### Details of authorised, issued, subscribed and paid-up share capital

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
<b>Authorised share capital</b>				
Equity shares of ₹ 2 each	12,50,00,000	250.00	12,50,00,000	250.00
	<b>12,50,00,000</b>	<b>250.00</b>	<b>12,50,00,000</b>	<b>250.00</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of ₹ 2 each	8,85,16,167	177.03	8,80,16,767	176.03
	<b>8,85,16,167</b>	<b>177.03</b>	<b>8,80,16,767</b>	<b>176.03</b>

i. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2024 and 31 March 2023 is set out below:

Equity shares	As at 31 Mar 2024		As at 31 Mar 2023	
	No. of shares	Amount (₹ in million)	No. of shares	Amount (₹ in million)
Shares outstanding at the beginning of the year	8,80,16,767	176.03	8,76,33,703	175.27
Add: Shares issued during the year	4,99,400	1.00	3,83,064	0.76
<b>Shares outstanding at the end of the year</b>	<b>8,85,16,167</b>	<b>177.03</b>	<b>8,80,16,767</b>	<b>176.03</b>

# Annual Accounts

Notes forming part of the financial statements

## ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
Orange clove investments B.V.	2,04,22,269	23.07%	2,51,91,802	28.62%
True North Fund V LLP	1,25,47,690	14.18%	1,77,05,532	20.12%
Aether (Mauritius) Limited	83,03,935	9.38%	1,17,42,592	13.34%

## iii. Terms, rights, preferences and restrictions attached to shares

### Equity shares:

The Company has only one class of equity share having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

## iv. Issue of bonus shares or buyback of shares

The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buyback of shares during five years immediately preceding 31 March 2024.

- v. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company and shares exercised under ESOP, refer note 37.

## vi. Shareholding of Promoters in the Company

Equity shares	As at 31 March 2024		As at 31 March 2023		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
True North Fund V LLP	1,25,47,690	14.18%	1,77,05,532	20.12%	-29%
Aether (Mauritius) Limited	83,03,935	9.38%	1,17,42,592	13.34%	-29%

## vii. Dividend

The Board of Directors at their meeting held on 08 May 2024 have recommended dividend of ₹ 3.40 per equity share for the year ended 31 March 2024 (Previous year: ₹ 2.60 per equity share), subject to the approval of shareholders at the ensuing Annual General Meeting.

## 19 Other equity

(₹ in million)

	Notes	As at 31 March 2024	As at 31 March 2023
Statutory reserve	19.2	1,990.94	1,375.94
Securities premium	19.3	11,116.71	11,055.39
Stock option outstanding account	19.4	390.04	239.89
Retained earnings	19.5	7,552.88	5,336.60
Other Comprehensive income	19.6	(12.75)	(10.46)
		<b>21,037.82</b>	<b>17,997.36</b>

# Annual Accounts

Notes forming part of the financial statements

(₹ in million)

19.1 Particulars	As at 31 March 2024	As at 31 March 2023
<b>Statutory reserve</b>		
Opening balance	1,375.94	916.94
Add: Current year transfer	615.00	459.00
	<b>1,990.94</b>	<b>1,375.94</b>
<b>Securities premium</b>		
Opening balance	11,055.39	11,003.57
Add: Premium on issue of share capital	50.93	41.97
Add: Transferred from employee stock option reserve pursuant to stock options exercised	10.39	9.85
	<b>11,116.71</b>	<b>11,055.39</b>
<b>Stock options outstanding account</b>		
Opening balance	239.89	137.54
Add: Charge for the year	163.68	112.30
Less: Transferred to securities premium pursuant to stock options exercised	(10.39)	(9.85)
Less: Transferred to retained earnings pursuant to stock options lapsed	(3.14)	(0.10)
	<b>390.04</b>	<b>239.89</b>
<b>Retained earnings</b>		
Opening balance	5,336.60	3,512.58
Add: Profit for the year	3,057.17	2,282.92
Less: Dividends	(229.03)	-
Less: Transfer to statutory reserve	(615.00)	(459.00)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	3.14	0.10
	<b>7,552.88</b>	<b>5,336.60</b>
<b>Other Comprehensive Income</b>		
<b>Remeasurements of defined benefit plans</b>		
Opening balance	(10.46)	(9.05)
Add: Other Comprehensive income for the year	(2.29)	(1.41)
	<b>(12.75)</b>	<b>(10.46)</b>
	<b>21,037.82</b>	<b>17,997.36</b>

## 19.2 Statutory reserve

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2024 and 31 March 2023, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

## 19.3 Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus

shares, to provide for premium on redemption of shares or debentures, share issue related expenses like underwriting costs etc. in accordance with Section 52 of the Companies Act, 2013.

## 19.4 Stock options outstanding account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee stock option schemes operated by the Company for its employees.

## 19.5 Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

## 19.6 Other Comprehensive Income

Remeasurement of the net defined benefit liabilities comprise actuarial gain/ loss.

# Annual Accounts

Notes forming part of the financial statements

(₹ in million)	
<b>20 Interest income</b>	
	Year ended 31 March 2024
	Year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>	
Interest on term loans	9,696.14
Interest income on investments	138.84
Interest on bank deposits	204.46
Other interest income*	237.46
	<b>10,276.90</b>
	<b>7,222.24</b>

\*This includes interest income on unwinding of interest strip receivable and gain on modification of financial asset.

(₹ in million)	
<b>21 Net gain on fair value changes</b>	
	Year ended 31 March 2024
	Year ended 31 March 2023
<b>On financial instruments measured at fair value through profit and loss*</b>	
- On trading portfolio - investment in mutual funds	324.74
- On derivative financial instruments	(3.44)
<b>Total net gain on fair value changes</b>	<b>321.30</b>
	<b>178.81</b>
<b>Fair value changes:</b>	
-Realised	324.95
-Unrealised - Fair value gain/ (loss)	(3.65)
<b>Total net gain on fair value changes</b>	<b>321.30</b>
	<b>178.81</b>

\*Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense.

(₹ in million)	
<b>22 Other operating income</b>	
	Year ended 31 March 2024
	Year ended 31 March 2023
Other charges*	45.85
	<b>45.85</b>
	<b>24.35</b>

\*Other charges mainly include cheque bounce charges, rate reduction charges, etc.

(₹ in million)	
<b>23 Other income</b>	
	Year ended 31 March 2024
	Year ended 31 March 2023
Marketing and advertisement fees	190.63
Other non-operating income	0.36
	<b>190.99</b>
	<b>46.13</b>

(₹ in million)	
<b>24 Finance costs</b>	
	Year ended 31 March 2024
	Year ended 31 March 2023
<b>On financial liabilities measured at amortised cost</b>	
Interest on borrowings	4,693.66
Interest on debt securities	270.67
Interest on lease liabilities (Refer note 39)	12.01
Other interest expense	22.28
	<b>4,998.62</b>
	<b>3,042.89</b>

# Annual Accounts

Notes forming part of the financial statements

## 25 Impairment on financial instruments

(₹ in million)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>		
Impairment loss allowance on loans	127.67	97.67
Write-offs on loans (net)	125.49	114.32
Impairment loss allowance on loan commitment and other receivables	1.16	3.24
	<b>254.32</b>	<b>215.23</b>

## 26 Employee benefits expense

(₹ in million)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	1,167.99	866.77
Contribution to provident and other funds (Refer note 36 B)	42.71	34.96
Gratuity expenses (Refer note 36.4)	10.57	8.40
Compensated absences expenses (Refer note 36 C)	2.50	2.25
Expenses on employee stock options scheme	163.68	112.30
Staff welfare expenses	95.99	45.45
	<b>1,483.44</b>	<b>1,070.13</b>

## 27 Other expenses

(₹ in million)

	Year ended 31 March 2024	Year ended 31 March 2023
Power and fuel	10.23	6.60
Rent (Refer note 39)	12.65	11.13
Repairs and maintenance	2.31	2.57
Telephone and communication expense	2.98	2.60
Office administrative expenses	27.16	11.77
Marketing and sales promotion expense	43.21	23.29
Auditor's remuneration (excluding GST)		
- Statutory audit fees	2.75	2.50
- Limited review fees	1.50	1.20
- Tax audit fees	0.30	0.30
- Other services (certifications, etc.)	1.78	1.74
Legal and professional charges (Refer note 30.2)	103.28	95.65
Director's fees, allowances and expenses	7.78	7.32
Travelling expense	100.93	84.28
Software and technology fees	163.63	143.07
Rates and taxes	88.57	73.56
Corporate social responsibility expenses (Refer note 40)	43.97	31.54
Bank charges and others	30.93	37.75
Miscellaneous expenses	68.22	48.00
	<b>712.18</b>	<b>584.87</b>

# Annual Accounts

Notes forming part of the financial statements

## 28 Tax expense

(₹ in million)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax expense</b>		
Tax expense for the year	931.70	708.34
Adjustments in respect of current income tax of previous year	12.89	6.17
	<b>944.59</b>	<b>714.51</b>
<b>Deferred taxes (net)</b>		
Change in deferred tax assets	(81.72)	(84.65)
Change in deferred tax liabilities	79.56	39.42
<b>Net deferred tax expense</b>	<b>(2.16)</b>	<b>(45.23)</b>
<b>Total income tax expense</b>	<b>942.43</b>	<b>669.28</b>

### 28.1 Tax reconciliation

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2024 and 31 March 2023 is as follows:

(₹ in million)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before income tax expense</b>	<b>3,999.60</b>	<b>2,952.20</b>
Income tax rate (Refer para 1.6 - Taxes on income in accounting policy)	25.17%	25.17%
Tax at statutory income tax rate	1,006.62	743.01
<b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b>		
Items disallowed (net)	8.76	15.78
Provision for special reserve [Sec 36 (1) (viii) of Income tax Act, 1961]	(134.88)	(118.29)
Impact on account of financial assets and other items (net)	48.27	22.13
Others	13.66	6.65
<b>Income tax expense</b>	<b>942.43</b>	<b>669.28</b>

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Notes forming part of the financial statements

## 28.2 Deferred tax movement related to the following:

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2024	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2023
<b>Deferred tax asset on account of:</b>				
Provision for employee benefits	14.32	(2.37)	(0.77)	11.18
Expected credit loss	182.80	(32.43)	-	150.37
Unamortised processing fee	245.66	(43.22)	-	202.44
Lease liabilities	43.50	(5.40)	-	38.10
Employee stock option plan (ESOP)	0.68	3.41	-	4.09
Unrealised net fair valuation loss on account of foreign currency borrowings	1.71	(1.71)	-	-
	<b>488.67</b>	<b>(81.72)</b>	<b>(0.77)</b>	<b>406.18</b>
<b>Deferred tax liability on account of:</b>				
Depreciation	24.89	3.04	-	21.85
Unamortised borrowing cost	51.81	17.88	-	33.93
Interest income on non performing assets	16.82	6.91	-	9.91
Fair valuation of investment in mutual funds	1.03	(0.05)	-	1.08
Deduction claimed for provision for bad debts u/s 36(1)(viiia)	30.23	(3.62)	-	33.85
Gain on direct assignment of loans	332.64	55.40	-	277.24
	<b>457.42</b>	<b>79.56</b>	-	<b>377.86</b>
<b>Deferred tax asset/ (liability) (net) and charge/ (credit) for the year</b>	<b>31.25</b>	<b>(2.16)</b>	<b>(0.77)</b>	<b>28.32</b>

(₹ in million)

Deferred tax assets / (liability) (net)	As at 31 March 2023	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2022
<b>Deferred tax asset on account of:</b>				
Provision for employee benefits	11.18	(2.12)	(0.48)	8.58
Expected credit loss	150.37	(25.40)	-	124.97
Unamortised processing fee	202.44	(51.99)	-	150.45
Lease liabilities	38.10	(7.64)	-	30.46
Employee stock option plan (ESOP)	4.09	2.50	-	6.59
	<b>406.18</b>	<b>(84.65)</b>	<b>(0.48)</b>	<b>321.05</b>
<b>Deferred tax liability on account of:</b>				
Depreciation	21.85	5.14	-	16.71
Unamortised borrowing cost	33.93	18.47	-	15.46
Interest income on non performing assets	9.91	(2.07)	-	11.98
Fair valuation of investment in mutual funds	1.08	1.08	-	-
Deduction claimed for provision for bad debts u/s 36(1)(viiia)	33.85	10.53	-	23.32
Gain on direct assignment of loans	277.24	6.27	-	270.97
	<b>377.86</b>	<b>39.42</b>	-	<b>338.44</b>
<b>Deferred tax asset/ (liability) (net) and charge/ (credit) for the year</b>	<b>28.32</b>	<b>(45.23)</b>	<b>(0.48)</b>	<b>(17.39)</b>

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Notes forming part of the financial statements

## 29 Earnings per share (EPS)

	As at 31 March 2024	As at 31 March 2023
Net profit after tax attributable to equity shareholders (₹ in million)	3,057.17	2,282.92
Weighted average number of equity shares for calculating basic EPS	8,82,28,829	8,77,59,811
Effect of Dilutive Potential Equity shares - Employee Stock Options	25,55,970	28,24,023
Weighted average number of equity shares for calculating diluted EPS	9,07,84,799	9,05,83,834
<b>Earnings per share</b>		
Basic earning per share (₹)	34.65	26.01
Diluted earning per share (₹)	33.67	25.20
Face value per share (₹)	2.00	2.00

## 30 Related party disclosures

Related party disclosures as required under Indian Accounting standard 24 'Related party disclosure' are given below.

### 30.1 List of related parties

Nature of relationship	Name of related party
Entity having significant influence	True North Fund V LLP
Entity having significant influence	True North Managers LLP
Entity having significant influence	True North Enterprise Private Limited
Entity having significant influence	Aether (Mauritius) Limited
Entity having significant influence	Orange Clove Investments B.V.
Key Management Personnel (KMP)	Mr. Manoj Viswanathan - Managing Director and Chief Executive Officer
Key Management Personnel (KMP)	Mr. Deepak Satwalekar - Independent Director
Key Management Personnel (KMP)	Mr. Divya Sehgal - Nominee Director
Key Management Personnel (KMP)	Mr. Maninder Singh Juneja - Nominee Director
Key Management Personnel (KMP)	Mr. Vishal Vijay Gupta - Nominee Director (up to 10 June 2022)
Key Management Personnel (KMP)	Mr. Narendra Ostawal - Nominee Director
Key Management Personnel (KMP)	Mr. Anuj Srivastava - Independent Director
Key Management Personnel (KMP)	Ms. Geeta Dutta Goel - Independent Director
Key Management Personnel (KMP)	Ms. Sucharita Mukherjee - Independent Director

### 30.2 Transactions during the year with related parties:

(₹ in million)

Transactions with	Nature of transactions	As at 31 March 2024	As at 31 March 2023
Mr. Manoj Viswanathan	Remuneration	23.37	19.88
Mr. Manoj Viswanathan	Exercise of ESOP	1.17	-
True North Enterprise Private Limited	Deputation charges	(0.17)	4.27
Mr. Deepak Satwalekar	Sitting fees paid	0.50	0.40
Mr. Anuj Srivastava	Sitting fees paid	0.60	0.50
Ms. Sucharita Mukherjee	Sitting fees paid	1.30	1.50
Mr. Deepak Satwalekar	Directors' commission	2.66	2.42
Mr. Anuj Srivastava	Directors' commission	1.31	1.20
Ms. Sucharita Mukherjee	Directors' commission	1.41	1.30

Notes:

1. The transactions disclosed above are excluding GST.

2. The KMPs are covered under the Company's gratuity policy, compensated absences provision and ESOP scheme along with other eligible employees of the Company. Proportionate amount of gratuity expenses, provision for compensated absences and ESOP expenses are not included in the aforementioned disclosures as it cannot be separately ascertained.

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Notes forming part of the financial statements

## 30.3 Amount due to related parties:

(₹ in million)

Particulars	Nature	As at	As at
		31 March 2024	31 March 2023
Mr. Deepak Satwalekar	Payable	2.66	2.42
Mr. Anuj Srivastava	Payable	1.31	1.20
Ms. Sucharita Mukherjee	Payable	1.41	1.30
True North Enterprise Private Limited	Payable	-	0.77

## 31 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The same is done through a combination of equity and/ or short term/ long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations and capital expenditure. The adequacy of the Company's capital is

monitored using, among other measures, the regulations issued by the RBI.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). Refer note 48 for Capital to risk-weighted assets ratio (CRAR).

The Company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	As at	As at
	31 March 2024	31 March 2023
Net total debt including interest accrued and not due thereon (net of cash and cash equivalents) (₹ in million)	67,421.27	46,037.32
Total equity (₹ in million)	21,214.85	18,173.39
Net debt to equity ratio	3.18	2.53

## Loan covenants

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that

define capital structure requirements. Breach in meeting these financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the reporting year.

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Notes forming part of the financial statements

## 32 Fair value measurement

### 32.1 Financial instruments by category

(₹ in million)

Particulars	Category	As at	As at
		31 March 2024	31 March 2023
<b>Financial assets:</b>			
Cash and cash equivalents	Amortised Cost	5,804.77	2,355.65
Bank balance other than cash and cash equivalents	Amortised Cost	2,410.32	628.45
Loans		82,126.23	60,521.22
Less : Impairment loss allowance	Amortised Cost	(691.85)	(564.22)
Investments			
- Mutual funds	FVTPL	1,614.08	1,250.04
- Government Securities	Amortised Cost	2,174.05	1,557.95
Other financial assets	Amortised Cost	1,440.70	1,240.97
<b>Total financial assets</b>		<b>94,878.30</b>	<b>66,990.06</b>
<b>Financial liabilities:</b>			
Derivative financial instruments	FVTPL	3.44	-
Trade payables	Amortised Cost	114.85	149.13
Debt securities	Amortised Cost	2,775.28	3,469.49
Borrowings (other than debt securities)	Amortised Cost	70,245.74	44,665.24
Other financial liabilities*	Amortised Cost	619.51	606.73
<b>Total financial liabilities</b>		<b>73,758.82</b>	<b>48,890.59</b>

\* Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard 116 (31 March 2024: ₹ 169.00 million; 31 March 2023: ₹ 147.73 million).

### 32.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, this level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** This level of hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers amongst the levels of hierarchy during the year ended 31 March 2024 and 31 March 2023.

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Notes forming part of the financial statements

## 32.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date

(₹ in million)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Level 1</b>		
<b>Financial assets measured at FVTPL</b>		
Investments in Mutual funds	1,614.08	1,250.04
<b>Level 2</b>		
<b>Financial liabilities measured at FVTPL</b>		
Derivative financial instruments	3.44	-

## 32.4 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of loans given, excess interest strip receivable, bank deposits and borrowings represents its fair value. Further, the carrying value of cash and cash equivalents, investments in government securities, other financial assets, trade payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

The above mentioned financial assets and liabilities are classified under level 1 of the fair valuation hierarchy, refer note 32.1.

## 32.5 Valuation techniques

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings (including debt securities) - The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and the carrying value approximates the fair value. The fair value of floating rate borrowings are deemed to be equivalent to the carrying value.

## 33 Financial risk management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e.

interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimise potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

### A Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities (Refer note 65):

As at 31 March 2024

(₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Derivative financial instruments	3.44	-	-	-	3.44
Trade payables	114.85	-	-	-	114.85
Debt securities (Refer note (i) below)	-	2,220.22	555.06	-	2,775.28
Borrowings (other than debt securities) (Refer note (i) below)	14,271.10	47,121.23	8,750.16	103.25	70,245.74
Other financial liabilities (Refer note (ii) below)	619.51	-	-	-	619.51
<b>Total</b>	<b>15,008.90</b>	<b>49,341.45</b>	<b>9,305.22</b>	<b>103.25</b>	<b>73,758.82</b>

As at 31 March 2023

(₹ in million)

	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Derivative financial instruments	-	-	-	-	-
Trade payables	149.13	-	-	-	149.13
Debt securities (Refer note (i) below)	699.71	1,661.87	1,107.91	-	3,469.49
Borrowings (other than debt securities) (Refer note (i) below)	10,015.75	29,725.55	4,792.18	131.76	44,665.24
Other financial liabilities (Refer note (ii) below)	606.73	-	-	-	606.73
<b>Total</b>	<b>11,471.32</b>	<b>31,387.42</b>	<b>5,900.09</b>	<b>131.76</b>	<b>48,890.59</b>

Notes:

- (i) Debt securities and borrowings (other than debt securities) carry adjustment of unamortised processing fee (EIR).
- (ii) Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard 116 (31 March 2024: ₹ 169.00 million; 31 March 2023: ₹ 147.73 million).

## B Market risk

### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because

of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily towards principal and interest payments at a future date on the foreign currency borrowings taken from banks and certain vendors in trade payables.

In order to minimise any adverse impact on the financial performance of the Company, the Company enters in to forward contracts to hedge the foreign currency risk in such a manner that it results in fixed determinate outflows in the functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax.

(Amounts in million)

Particulars	As at 31 March 2024		As at 31 March 2023	
	\$	₹	\$	₹
<b>Financial liabilities</b>				
Derivative financial instruments*	54.32	4,530.79	-	-
Borrowings (other than debt securities)	53.43	4,442.95	-	-

\* The notional amount of derivative financial instruments includes derivatives amounting to \$ 0.83 million equivalent to ₹ 69.03 million for interest which will be accrued and payable at future dates.

### (ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowings might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions,

inflation and other factors. In order to manage interest rate risk, the Company seeks to optimise borrowing profile between short-term and long-term loans. The liabilities are categorised into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

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Notes forming part of the financial statements

## Exposure to loans and borrowings

(₹ in million)

Particulars	As at	
	31 March 2024	31 March 2023
<b>Loans</b>		
Loans (variable)	82,126.23	60,521.22
<b>Borrowings and debt securities</b>		
Borrowings and debt securities (variable)	64,314.71	41,819.06
Borrowings and debt securities (fixed rate)	8,706.31	6,315.67
<b>Total borrowings and debt securities</b>	<b>73,021.02</b>	<b>48,134.73</b>

## Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in million)

Interest rate	Impact on profit before tax	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Loans</b>		
Increase by 50 basis points	410.63	302.61
Decrease by 50 basis points	(410.63)	(302.61)
<b>Borrowings and debt securities</b>		
Increase by 50 basis points	(321.57)	(209.10)
Decrease by 50 basis points	321.57	209.10

### (iii) Price risk

The Company is exposed to price risk from its investment in mutual funds measured at fair value through statement of profit and loss.

(₹ in million)

Sensitivity	Impact on profit before tax	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Investments in mutual funds</b>		
Increase by 50 basis points	8.07	6.25
Decrease by 50 basis points	(8.07)	(6.25)

## 34 Credit risk management

### Credit quality of assets

Credit risk is the risk that the Company will incur a loss because the counterparty might fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due.

The Company manages credit risks by using a set of credit procedures and guidelines, laid down in the credit risk policy, to ensure effective credit risk management and health of the portfolio. The adherence to the policy and various processes is monitored and appraised in the credit committee

meetings on a quarterly basis. The policy is amended periodically to ensure compliance with the guidelines of the RBI as well as other regulatory bodies.

We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a customer relationship manager and customer service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices.

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Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

The Company considers a financial instrument as defaulted and considers it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations, when the assets become more than 90 days past due on its contractual payments and these assets continue to be classified as Stage 3 till the entire overdues are received,

in accordance with the RBI guidelines and Board approved ECL Policy.

The following table sets out information about credit quality of loans measured at amortised cost based on days past due information. The amount represents gross carrying amount. (Refer note 4 - Loans for detailed disclosure on gross carrying value and ECL amount on loans).

(₹ in million)

Loans	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Home loan	66,011.26	867.51	1,191.31	<b>68,070.08</b>
Loan against property	12,719.78	127.06	126.86	<b>12,973.70</b>
Commercial loan	988.64	18.58	17.69	<b>1,024.91</b>
Construction finance	-	-	57.54	<b>57.54</b>
<b>Total</b>	<b>79,719.68</b>	<b>1,013.15</b>	<b>1,393.40</b>	<b>82,126.23</b>

(₹ in million)

Loans	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Home loan	49,946.45	603.65	895.27	<b>51,445.37</b>
Loan against property	8,020.85	85.00	66.37	<b>8,172.22</b>
Commercial loan	712.74	8.58	12.26	<b>733.58</b>
Construction finance	108.67	61.38	-	<b>170.05</b>
<b>Total</b>	<b>58,788.71</b>	<b>758.61</b>	<b>973.90</b>	<b>60,521.22</b>

(₹ in million)

Loan commitments	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Home loan	10,584.19	23.69	38.86	<b>10,646.74</b>
Loan against property	1,125.31	1.92	2.35	<b>1,129.58</b>
Commercial loan	107.86	0.10	0.82	<b>108.78</b>
Construction finance	-	-	17.26	<b>17.26</b>
<b>Total</b>	<b>11,817.36</b>	<b>25.71</b>	<b>59.29</b>	<b>11,902.36</b>

(₹ in million)

Loan commitments	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Home loan	9,085.04	16.98	35.25	<b>9,137.27</b>
Loan against property	884.89	0.65	0.23	<b>885.77</b>
Commercial loan	123.42	-	0.81	<b>124.23</b>
Construction finance	30.00	17.26	-	<b>47.26</b>
<b>Total</b>	<b>10,123.35</b>	<b>34.89</b>	<b>36.29</b>	<b>10,194.53</b>

## Customer type

(₹ in million)

Loans	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Salaried	53,747.59	613.70	813.21	<b>55,174.50</b>
Self employed	25,972.09	399.45	580.19	<b>26,951.73</b>
<b>Total</b>	<b>79,719.68</b>	<b>1,013.15</b>	<b>1,393.40</b>	<b>82,126.23</b>

# Annual Accounts

Notes forming part of the financial statements

## Customer type

(₹ in million)

Loans	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Salaried	40,328.15	471.64	635.74	<b>41,435.53</b>
Self employed	18,460.56	286.97	338.16	<b>19,085.69</b>
	<b>58,788.71</b>	<b>758.61</b>	<b>973.90</b>	<b>60,521.22</b>

## 35 Transfers of assets

### Assignment deal:

The Company has sold some loans measured at amortised cost as per assignment deals during the year. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in million)

Loans measured at amortised cost	Year ended 31 March 2024	Year ended 31 March 2023
Carrying amount of derecognised financial assets as at year ended	12,191.40	10,564.92
Carrying amount of derecognised financial assets during the year	4,141.28	2,892.73
Gain from derecognition	631.08	380.37

## 35.1 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021:

a. Details of transfer through direct assignment in respect of loans not in default:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Number of loans	7,484	5,300
Aggregate amount (₹ in million)	4,601.42	3,214.14
Sale consideration (₹ in million)	4,141.28	2,892.73
Number of transactions	11	6
Weighted average remaining maturity (in months)	275.64	231.70
Weighted average holding period after origination (in months)	14.59	14.28
Retention of beneficial economic interest	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	NA	NA
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NA	NA
Number of transferred loans replaced	NA	NA

b. The Company has not acquired any loan not in default during the year ended 31 March 2024 and 31 March 2023.

c. The Company has not transferred or acquired any stressed loan during the year ended 31 March 2024 and 31 March 2023.

## 36 Employee benefits

### (A) Defined benefit obligation

The Company has an unfunded defined benefit plan i.e.,

Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days of salary for each year of service.

### Contribution to gratuity fund (unfunded scheme)

In accordance with Indian Accounting Standard 19 'Employee benefits', actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

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Notes forming part of the financial statements

## 36.1 Actuarial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate (% p.a.)	7.18%	7.31%
Rate of salary increase (% p.a.)	10.00%	10.00%
Rate of employee turnover (% p.a.)	20.00%	20.00%

Interest rate risk: The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity risk: Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides

the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risk.

Salary risk: The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

## 36.2 Changes in the present value of defined benefit obligation

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	37.82	29.71
Interest expense	2.76	1.81
Current service cost	7.81	6.59
Benefit paid directly by the employer	(3.68)	(2.18)
Actuarial loss on obligations - due to change in financial assumptions	0.27	0.77
Actuarial loss on obligations - due to experience	2.79	1.12
<b>Present value of obligation at the end of the year</b>	<b>47.77</b>	<b>37.82</b>

## 36.3 Assets and liabilities recognised in the balance sheet

(₹ in million)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of the defined benefit obligation at the end of the year	(47.77)	(37.82)
<b>Net liability recognised in the balance sheet</b>	<b>(47.77)</b>	<b>(37.82)</b>

## 36.4 Expenses recognised in the statement of profit and loss

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	7.81	6.59
Net interest expense	2.76	1.81
<b>Expenses recognised in the statement of profit and loss for the year</b>	<b>10.57</b>	<b>8.40</b>

## 36.5 Expenses recognised in the statement of other comprehensive income (OCI)

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial loss on post employment defined benefit obligation	3.06	1.89
<b>Expenses recognised in the statement of OCI</b>	<b>3.06</b>	<b>1.89</b>

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## 36.6 Reconciliation of net liability recognised

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Opening net liability	37.82	29.71
Expenses recognised at the end of year in profit and loss	10.57	8.40
Amount recognised in other comprehensive income	3.06	1.89
Benefit paid directly by the employer	(3.68)	(2.18)
<b>Net liability recognised in the balance sheet</b>	<b>47.77</b>	<b>37.82</b>

## 36.7 Sensitivity analysis

(₹ in million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Delta effect of +1% change in rate of discounting	(1.98)	(1.56)
Delta effect of -1% change in rate of discounting	2.18	1.72
Delta effect of +1% change in rate of salary increase	1.81	1.42
Delta effect of -1% change in rate of salary increase	(1.70)	(1.34)
Delta effect of +1% change in rate of employee turnover	(0.46)	(0.36)
Delta effect of -1% change in rate of employee turnover	0.49	0.38

## 36.8 Maturity analysis of projected benefit obligation

(₹ in million)

Year	As at 31 March 2024	As at 31 March 2023
1	7.50	5.43
2	6.73	5.80
3	6.38	5.23
4	6.15	4.95
5	5.86	4.68
Sum of years 6 to 10	20.01	15.74
Sum of years 11 and above	17.70	14.18

## 36.9 Experience adjustments

(₹ in million)

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Defined benefit obligation	47.77	37.82	29.71	20.51	13.13
Experience adjustments on defined benefit obligation	2.79	1.12	1.71	4.01	3.19

### Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules thereunder on 13 November 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### (B) Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 40.37 million (31 March 2023: ₹ 33.16 million) for provident fund contributions in the statement of profit and loss.

The Company has recognised ₹ 2.29 million (31 March 2023: ₹ 1.77 million) for National Pension Scheme contributions in the statement of profit and loss.

**(C) Compensated absence expenses**

The Company has accounted for provision for compensated absences from 01 April 2019. An employee is eligible to carry

forward 30 to 90 days of leaves basis their work location to the next period from the balance leaves pending utilisation; however these leaves are non-encashable. Provision for compensated absence for current year is ₹ 2.50 million (31 March 2023: ₹ 2.25 million).

**37 Employee stock options****37.1 The Company has various Employee stock option schemes, under which grants were made as per details provided below:**

<b>a) Employee Stock Option Plan 2012 ('ESOP 2012')</b>	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved (post subdivision) ^	29,08,180				
No. of options granted (post subdivision) ^	5,75,000	6,25,000	8,50,000	5,15,680	3,42,500
Date of grant	14 March 2012	25 March 2013	19 March 2014	30 March 2015	04 January 2016
Exercise price per option (post subdivision) (₹) ^	47.83	47.83	56.23	56.23	56.23

<b>b) Employee Stock Option Scheme II ('ESOP II')</b>	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*	Tranche 5*
No. of options approved (post subdivision) ^	41,25,290				
No. of options granted (post subdivision) ^	24,22,220	2,91,795	16,58,500	40,750	1,54,500
Date of grant	01 April 2017	01 April 2018	01 April 2019	01 Oct 2019	01 Oct 2020
Exercise price per option (post subdivision) (₹) ^	117.24	117.24	139.30	223.20	334.73

\*Notes:

a. 2,87,975 options lapsed in Tranche 1 of ESOP II and were reissued in Tranche 3 (2,47,225 options) and Tranche 4 (40,750 options) (post subdivision) during the year ended 31 March 2020.

b. 1,31,150 and 23,350 options lapsed in Tranche 1 and Tranche 3 of ESOP II respectively, were reissued in Tranche 5 (1,54,500) (post subdivision) during the year ended 31 March 2021.

^ Refer note 37.5 (ii)

<b>c) Homefirst ESOP Scheme 2021 ('ESOP 2021')</b>	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved	19,69,283				
No. of options granted	9,25,000	1,18,900	7,000	7,86,882	65,000
Date of grant	15 Dec 2021	19 July 2022	07 Nov 2022	26 April 2023	27 May 2023
Exercise price per option (₹)	851.10	771.30	730.00	706.20	692.65

**37.2 Vesting condition:**

a) **ESOP 2012:** All options under this scheme have been fully vested.

**b) ESOP II:**

**Management option:** Vesting will be in two parts for Tranche 1, Tranche 2, Tranche 3 - 66% will be performance plus time based which will vest in 6 equal instalments; and 34% will be vested as follows:

Particulars	Vesting on					
	15 October 2020	01 April 2021	01 April 2022	01 April 2023	01 April 2024	01 April 2025
Tranche 1	9.39%	8.20%	8.20%	8.21%	NA	NA
Tranche 2	9.39%	6.15%	6.15%	6.15%	6.16%	NA
Tranche 3	9.39%	4.92%	4.92%	4.92%	4.92%	4.93%
Tranche 5	Vesting will be in 6 equal instalments starting from 01 October 2021.					

Note: The Board at their meeting held on 15 October 2020 amended the ESOP II (the Scheme) leading to change in the vesting period of

management exit linked options - wherein these options would now be vested as per the schedule stated above.

**Non Management option:** Vesting will be in 6 equal instalments starting from 01 April 2018.

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Vesting start period	01 April 2018	01 April 2019	01 April 2020	01 October 2020	01 October 2021
<b>Management</b>					
1st Year (post subdivision) ^	2,09,000	27,500	96,853	-	17,680
2nd Year (post subdivision) ^	2,09,000	50,975	75,620	-	17,680
3rd Year (post subdivision) ^	3,87,410	42,875	75,620	-	17,680
4th Year (post subdivision) ^	3,64,800	42,875	75,620	-	17,680
5th Year (post subdivision) ^	3,64,800	42,875	75,620	-	17,680
6th Year (post subdivision) ^	3,64,990	42,900	75,668	-	15,600
<b>Non Management</b>					
1st Year (post subdivision) ^	88,777	7,105	2,01,195	6,928	8,585
2nd Year (post subdivision) ^	88,777	7,105	2,01,195	6,928	8,585
3rd Year (post subdivision) ^	88,777	7,105	2,01,195	6,928	8,585
4th Year (post subdivision) ^	88,777	7,105	2,01,195	6,928	8,585
5th Year (post subdivision) ^	88,777	7,105	2,01,195	6,928	8,585
6th Year (post subdivision) ^	78,333	6,269	1,77,525	6,113	7,575

^ Refer note 37.5(ii)

**c) ESOP 2021**

The options shall vest between 3 to 4 years from the date of grant, in equal proportions, upon achievement of the performance conditions.

Particulars	Tranche 1		Tranche 2	Tranche 3	Tranche 4	Tranche 5
Vesting start period	01 April 2023		01 August 2023	01 April 2024	25 April 2024	26 May 2024
Vesting period	3 years	4 years	3 years	3 years	3 years	3 years
1st Year	2,57,400	36,250	39,237	2,310	2,59,669	21,450
2nd Year	2,57,400	36,250	39,237	2,310	2,59,669	21,450
3rd Year	2,65,200	36,250	40,426	2,380	2,67,544	22,100
4th Year	-	36,250	-	-	-	-

**37.3 Contractual life**

ESOP 2012: The contractual life (vesting period plus exercise period) ranges from 11 to 14 years i.e. vesting period ranging from 1 to 4 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP II: The contractual life (vesting period plus exercise period) ranges from 11 to 16 years i.e. vesting period ranging from 1 to 6 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the

exercise period shall be 6 months from the last working day of the employee.

ESOP 2021: The contractual life (vesting period plus exercise period) ranges from 4 to 7.3 years i.e. vesting period ranging from 1 to 4.3 years and exercise period of 3 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

Method of settlement: ESOP 2012, ESOP II and ESOP 2021 is to be settled through issue of equity shares.

## 37.4 Computation of fair value of options granted

Particulars	ESOP 2012				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) ^ (Amount in ₹)	47.83	47.83	49.00	56.00	56.00
Exercise price (post subdivision) ^ (Amount in ₹)	47.83	47.83	56.23	56.23	56.23
Volatility	37.05%	35.51%	34.95%	34.17%	33.51%
Risk free rate	1st year- 8.06% 2nd year- 7.93% 3rd year- 8.01% 4th year- 8.10%	1st year- 7.73% 2nd year- 7.66% 3rd year- 7.74% 4th year- 7.84%	1st year- 8.66% 2nd year- 8.58% 3rd year- 8.72% 4th year- 8.88%	1st year- 7.88% 2nd year- 7.84% 3rd year- 7.79% 4th year- 7.75%	1st year- 7.05% 2nd year- 7.22% 3rd year- 7.32% 4th year- 7.43%
Dividend yield	-	-	-	-	-
Fair value of options (post subdivision) ^ (Amount in ₹)*	1st year- 8.80 2nd year- 13.00 3rd year- 16.60 4th year- 19.60	1st year- 8.40 2nd year- 12.60 3rd year- 16.00 4th year- 19.00	1st year- 5.80 2nd year- 10.20 3rd year- 14.00 4th year- 17.40	1st year- 9.60 2nd year- 14.40 3rd year- 18.20 4th year- 21.60	1st year- 9.20 2nd year- 13.80 3rd year- 17.80 4th year- 21.00

Particulars	ESOP II				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) ^ (Amount in ₹)	117.24	117.24	139.30	222.32	334.73
Exercise price (post subdivision) ^ (Amount in ₹)	117.24	117.24	139.30	223.20	334.73
Volatility	30.00%	30.00%	31.29%	20.88% to 24.47%	25.61% to 37.90%
Risk free rate	1st year- 6.63% 2nd year- 6.66% 3rd year- 6.79% 4th year- 6.93% 5th year- 7.05% 6th year- 6.92% 7th year- 7.08%	1st year- 6.79% 2nd year- 7.33% 3rd year- 7.57% 4th year- 7.74% 5th year- 7.78% 6th year- 7.89%	1st year- 6.43% 2nd year- 6.52% 3rd year- 6.66% 4th year- 6.85% 5th year- 6.93% 6th year- 7.17%	1st year- 5.49% 2nd year- 5.71% 3rd year- 5.92% 4th year- 6.10% 5th year- 6.27% 6th year- 6.42%	1st year- 3.82% 2nd year- 4.39% 3rd year- 4.86% 4th year- 5.24% 5th year- 5.55% 6th year- 5.80%
Dividend yield	-	-	-	-	-
Fair value of option (post subdivision) ^ (Amount in ₹)*	1st year- 17.60 2nd year- 26.60 3rd year- 34.20 4th year- 41.00 5th year- 47.00 6th year- 52.00 7th year- 57.00	1st year- 17.80 2nd year- 27.40 3rd year- 35.40 4th year- 42.60 5th year- 48.80 6th year- 54.40	1st year- 21.40 2nd year- 32.40 3rd year- 41.40 4th year- 49.60 5th year- 56.60 6th year- 63.60	1st year- 27.00 2nd year- 38.80 3rd year- 50.40 4th year- 61.80 5th year- 74.40 6th year- 84.40	1st year- 55.88 2nd year- 72.09 3rd year- 85.42 4th year- 99.63 5th year- 114.22 6th year- 131.13

^ Refer note 37.5(ii)

Particulars	ESOP 2021				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (Amount in ₹)	851.10	771.30	730.00	706.20	692.65
Exercise price (Amount in ₹)	851.10	771.30	730.00	706.20	692.65
Volatility	26.20% to 28.09%	26.77% to 28.68%	27.17% to 29.11%	38.10% to 40.66%	38.00% to 40.47%
Risk free rate	1st year- 5.00% 2nd year- 5.39% 3rd year- 5.71% 4th year- 5.98%	1st year- 6.73% 2nd year- 6.98% 3rd year- 7.13% -	1st year- 7.11% 2nd year- 7.26% 3rd year- 7.34% -	1st year- 6.81% 2nd year- 6.86% 3rd year- 6.92% -	1st year- 6.76% 2nd year- 6.79% 3rd year- 6.83% -
Dividend yield	-	-	-	0.37%	0.37%
Fair value of option (Amount in ₹)*	1st year- 209.46 2nd year- 253.73 3rd year- 289.84 4th year- 329.76	1st year- 195.84 2nd year- 225.47 3rd year- 265.30 -	1st year- 208.40 2nd year- 244.51 3rd year- 281.09 -	1st year- 213.62 2nd year- 266.10 3rd year- 302.71 -	1st year- 208.80 2nd year- 256.09 3rd year- 292.51 -

\*The fair value of option has been determined based on Black - Scholes - Merton formula.

### 37.5 Reconciliation of outstanding share options:

Particulars (No. of options)	As at 31 March 2024			As at 31 March 2023		
	ESOP 2012	ESOP II	ESOP 2021	ESOP 2012	ESOP II	ESOP 2021
Outstanding at beginning of year (Refer note ii below)	3,61,000	30,12,694	9,13,400	4,69,000	33,41,002	9,09,200
Vested at beginning of year (Refer note ii below)	3,61,000	19,99,024	-	4,69,000	16,11,041	-
Granted during the year (Refer note ii below)	-	-	8,51,882	-	-	1,25,900
Vested during the year (Refer note ii below)	-	5,30,936	2,83,090	-	6,65,653	-
Lapsed (Refer note ii below)	-	37,454	1,97,878	-	53,244	1,21,700
- Forfeited (vested - lapsed)	-	1,742	14,454	-	2,606	-
- Lapsed (unvested - lapsed)	-	35,712	1,83,424	-	50,638	1,21,700
Exercised (Refer note ii below)	2,09,500	2,87,495	2,405	1,08,000	2,75,064	-
<b>Outstanding at end of the year (Refer note ii below)</b>	<b>1,51,500</b>	<b>26,87,745</b>	<b>15,64,999</b>	<b>3,61,000</b>	<b>30,12,694</b>	<b>9,13,400</b>
Vested and exercisable at end of the year (Refer note ii below)	1,51,500	22,40,723	2,66,231	3,61,000	19,99,024	-
Weighted average exercise price per option of options outstanding (Amount in ₹) (Refer note ii below)	56.23	134.33	776.75	56.23	134.86	842.06
Weighted average remaining contractual life of options	3.09 years	7.73 years	3.64 years	4.12 years	8.67 years	4.11 years

Notes: (i) Amortisation of option cost for the year ended 31 March 2024 is ₹ 163.68 million (31 March 2023: ₹ 112.30 million).

(ii) The shareholders, vide a special resolution, have approved sub-division of equity shares of the Company in the ratio of five equity

shares of ₹ 2 each against one equity share of ₹ 10 each respectively resulting to change in share price and exercise price proportionately.

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## 38 Segment information

### 38.1 Operating segment

The Company's main business is financing by way of loans towards affordable housing segment in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

### 38.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024 and 31 March 2023.

The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

## 39 Lease disclosure

### Where the Company is the lessee:

The Company has entered into agreements for taking its office premises under lease and license arrangements. These agreements are for tenures between 1 year and 9 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ in million)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at	
	31 March 2024	31 March 2023
Not later than one year	71.68	62.28
Later than one year and not later than five years	119.85	103.78
Later than five years	0.01	0.14
<b>Total undiscounted lease liabilities</b>	<b>191.54</b>	<b>166.20</b>
<b>Lease liabilities included in the balance sheet</b>		
Total lease liabilities	169.00	147.73

(₹ in million)

Amount recognised in the statement of profit and loss	Year ended	
	31 March 2024	31 March 2023
Interest on lease liabilities	12.01	10.33
Depreciation charge for the year	63.25	51.20
Expenses relating to leases	12.65	11.13

(₹ in million)

Amount recognised in statement of cash flows	Year ended	
	31 March 2024	31 March 2023
Cash outflow towards lease liabilities	71.19	57.88

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 40 Corporate social responsibility expenses

(₹ in million)

Particulars	Year ended	
	31 March 2024	31 March 2023
(a) Total amount required to be spent during the year	43.97	31.54
(b) Total amount of expenditure incurred during the year	43.97	31.54
(c) Shortfall at the end of the year	-	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA

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The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):

- Promoting education, including special education and employment enhancing vocational skills, especially among children, women, and elderly;
- Promoting health care, including preventive health care and sanitation;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources;

- Promoting digital literacy, building importance of saving, and instilling future planning skills among students.

Notes:

- No amount has been spent by the Company for the construction/ acquisition of any new asset during the year ended 31 March 2024 and 31 March 2023.
- There have been no related party transactions during the year ended 31 March 2024 and 31 March 2023 in respect of CSR activities.

## 41 Contingent liabilities and commitments

There are no Contingent Liabilities as on 31 March 2024 (31 March 2023: Nil).

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Commitments - Undisbursed amount of housing and other loans	11,902.36	10,194.53

42 Disclosures required under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 05 May 2021 with reference to disclosures stated under Format-B prescribed in the Resolution Framework - 1.0.

(₹ in million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
	(A)	(B)	(C)	(D)	
Personal Loans	87.63	11.84	-	7.17	68.62
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>87.63</b>	<b>11.84</b>	<b>-</b>	<b>7.17</b>	<b>68.62</b>

43 The Company does not hold any immovable property as on 31 March 2024 and 31 March 2023. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

44 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there-under, as at 31 March 2024 and 31 March 2023.

45 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of

India, during the year ended 31 March 2024 and 31 March 2023.

46 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

## 47 Registration of charges or satisfaction with Registrar of Companies (ROC)

There has been no delay in registration or satisfaction of charges with ROC beyond the statutory date during the year ended 31 March 2024 and 31 March 2023.

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## 48 Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% Variance	Reasons for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	21,288.56	53,921.59	39.48%	49.38%	-20.05%	NA
Tier I CRAR	21,071.68	53,921.59	39.08%	48.89%	-20.08%	NA
Tier II CRAR	216.88	53,921.59	0.40%	0.49%	-17.56%	NA
Liquidity Coverage Ratio	2,700.80	1,497.72	180.33%	157.21%	14.70%	NA

**49** The Company has borrowings from banks and financial institutions on the basis of security of receivables and current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters with no material discrepancies.

**50** The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2024 and 31 March 2023 are held by the Company in the form of investments till the time the utilisation is made subsequently.

**51** There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

**52** As a part of normal lending business, the Company grants loans and advances on the basis of security / guarantee provided by the borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

a. No funds have been advanced or loaned or invested by the Company to or in any other

person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

b. No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**53** The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024 and 31 March 2023.

**54** The Company has used an accounting software for maintaining its books of account for the year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there is not any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March 2024.

**55 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled after factoring in prepayment assumptions.

(₹ in million)

Assets	As at 31 March 2024			As at 31 March 2023		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
<b>Financial assets</b>						
Cash and cash equivalents	5,804.77	-	5,804.77	2,355.65	-	2,355.65
Bank balance other than cash and cash equivalents	1,967.67	442.65	2,410.32	204.55	423.90	628.45
Loans	13,806.14	67,628.24	81,434.38	8,518.24	51,438.76	59,957.00
Investments	3,788.13	-	3,788.13	2,807.99	-	2,807.99
Other financial assets	473.15	967.55	1,440.70	431.46	809.51	1,240.97
<b>Non-financial assets</b>						
Current tax assets (net)	-	2.78	2.78	-	25.80	25.80
Deferred tax assets (net)	-	31.25	31.25	-	28.32	28.32
Property, plant and equipment	-	141.72	141.72	-	116.35	116.35
Intangible assets under development	-	1.81	1.81	-	0.46	0.46
Right of use assets	-	156.44	156.44	-	137.12	137.12
Other intangible assets	-	2.14	2.14	-	3.79	3.79
Other non-financial assets	119.48	5.64	125.12	79.56	8.15	87.71
<b>Total assets</b>	<b>25,959.34</b>	<b>69,380.22</b>	<b>95,339.56</b>	<b>14,397.45</b>	<b>52,992.16</b>	<b>67,389.61</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	3.44	-	3.44	-	-	-
Trade payables	114.85	-	114.85	149.13	-	149.13
Debt securities	-	2,775.28	2,775.28	699.71	2,769.78	3,469.49
Borrowings (other than debt securities) (Refer note below)	14,271.10	55,974.64	70,245.74	10,015.75	34,649.49	44,665.24
Other financial liabilities	688.74	99.77	788.51	666.79	87.67	754.46
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	39.95	39.95	-	19.36	19.36
Provisions	9.55	64.29	73.84	6.92	52.64	59.56
Other non-financial liabilities	83.10	-	83.10	98.98	-	98.98
<b>Total liabilities</b>	<b>15,170.78</b>	<b>58,953.93</b>	<b>74,124.71</b>	<b>11,637.28</b>	<b>37,578.94</b>	<b>49,216.22</b>
<b>Net</b>	<b>10,788.56</b>	<b>10,426.29</b>	<b>21,214.85</b>	<b>2,760.17</b>	<b>15,413.22</b>	<b>18,173.39</b>

Note: The Company has undrawn facilities amounting to ₹ 7,737.03 million as at 31 March 2024 (31 March 2023: ₹ 6,645.00 million).

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Notes forming part of the financial statements

**56 Disclosure on Liquidity Risk in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies and RBI circular No. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated 22 October 2020 for regulatory framework for Housing Finance Companies (HFCs)**

## 56.1 Funding Concentration based on significant counterparty (borrowings)

Number of Significant Counterparties #	Amount* (₹ in million)	% of Total Deposits	% of Total liabilities**
22	70,826.78	-	95.55%

#Significant counterparty is defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 04 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies. Accordingly, the Company has considered lenders with more than 1% of total outstanding borrowing as significant counterparties.

\*Borrowings amount excludes the interest accrued but not due.

\*\*Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equity share capital and other equity.

## 56.2 Top 20 large deposits

Not applicable. The Company is registered with National Housing Bank to carry on the business of housing finance institution without accepting public deposits.

## 56.3 Top 10 borrowings

Sr. No.	Amount* (₹ in million)	% of Total Borrowings
1	29,810.36	40.82%

\* Borrowings amount excludes the interest accrued but not due.

Top 10 borrowings have been identified considering each type of facility availed from the respective lender.

## 56.4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product*	Amount (₹ in million)	% of Total Liabilities**
1	NCD	2,775.28	3.74%
2	Term Loans from Banks & Financial Institutions	54,549.32	73.59%
3	NHB	15,696.42	21.18%

\*Significant instrument/ product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD)CC.No.102/03.10.001/2019-20 dated 04 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

\*\*Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equity share capital and other equity.

# Annual Accounts

Notes forming part of the financial statements

## 56.5 Stock Ratios

Sr. No.	Stock Ratio	Percentage (%)
1	Commercial papers as a % of total liabilities	Nil
2	Commercial papers as a % of total assets	Nil
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
5	Other short-term liabilities as a % of total liabilities**	1.21%
6	Other short-term liabilities as a % of total assets	0.94%
7	Other short-term liabilities as a % of public funds	Nil

\*\*Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equity share capital and other equity.

## 56.6 Institutional set-up for liquidity risk management

The Company's Board of Directors monitors all the risks, including liquidity risk. Governance structure, Policies and risks limits are prescribed by the Board.

Board Constituted Asset Liability Committee (ALCO) ensures effective asset-liability management, market risk management, liquidity and interest rate risk management and also adherence to risk tolerance/ limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

The Risk Management Committee constituted by the Board of Directors is primarily responsible for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, as per guidelines issued by the RBI, HFCs are required to maintain the Liquidity Coverage Ratio (LCR), to maintain liquidity buffers to withstand potential liquidity disruptions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. As per the guidelines, the weighted values of the net cash flows are calculated after the application of respective haircuts for HQLA and considering stress factors on inflows at 75% and outflows at 115%.

For all non-deposit taking HFCs with an asset size

of ₹ 5,000 crore and above, but less than ₹ 10,000 crore, there is a phased transition towards meeting the minimum LCR, with the requirement as on 01 December 2021 being 30%. Thereafter, the requirement increases from 01 December 2022 onwards in a graded manner. The Company has put in place a liquidity risk management framework so as to adhere to the said LCR guidelines and applicable timelines.

## 57 Disclosure on Liquidity Coverage Ratio (LCR) in accordance with RBI circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.102/03.10.136/2020-21 dated 17 February 2021 and RBI circular No. RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/ 2016-17 dated 01 September 2016

The RBI vide Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 issued guidelines on maintenance of Liquidity Coverage Ratio (LCR) for HFCs.

The objective of the LCR is to promote resilience in the liquidity risk profile of HFCs. This is done by ensuring that the Company has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Further, the guidelines required all non-deposit taking HFCs with an asset size of ₹ 5,000 crore and above, but less than ₹10,000 crore, to maintain minimum LCR of 30% as on December 2021, to be gradually increased to 100% by December 2025. The Company's Board

approved Asset Liability Management (ALM) Policy covers its Liquidity Risk Management policies and processes, stress testing, contingency funding plan, maturity profiling, Currency Risk, Interest Rate Risk and Liquidity Risk Monitoring Tools.

The Company regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets, most of which is in the form of government securities as at 31 March 2024 and 31 March 2023.

**Quantitative information on LCR for the year ended 31 March 2024:**

(₹ in million)

Particulars	Quarter Ended 31 March 2024		Quarter Ended 31 December 2023		Quarter Ended 30 September 2023		Quarter Ended 30 June 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)	2,700.80	2,700.80	2,603.46	2,603.46	2,300.35	2,300.35	2,282.01	2,282.01
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured funding	966.48	1,111.45	1,053.91	1,212.00	1,170.86	1,346.49	1,135.96	1,306.36
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	4,242.99	4,879.44	3,833.22	4,408.20	3,655.18	4,203.46	3,517.49	4,045.11
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>8 Total Cash Outflows</b>	<b>5,209.47</b>	<b>5,990.89</b>	<b>4,887.13</b>	<b>5,620.20</b>	<b>4,826.04</b>	<b>5,549.95</b>	<b>4,653.45</b>	<b>5,351.47</b>
<b>Cash Inflows</b>								
9 Secured Lending	1,022.31	766.73	978.74	734.06	911.07	683.30	822.30	616.73
10 Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11 Other cash inflows	12,397.09	9,297.82	17,154.56	12,865.92	12,683.16	9,512.37	4,820.25	3,615.19
<b>12 Total Cash Inflows</b>	<b>13,419.40</b>	<b>10,064.55</b>	<b>18,133.30</b>	<b>13,599.98</b>	<b>13,594.23</b>	<b>10,195.67</b>	<b>5,642.55</b>	<b>4,231.92</b>
	<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>	
<b>13 Total HQLA</b>		<b>2,700.80</b>		<b>2,603.46</b>		<b>2,300.35</b>		<b>2,282.01</b>
<b>14 Total Net Cash Outflows</b>		<b>1,497.72</b>		<b>1,405.05</b>		<b>1,387.49</b>		<b>1,337.87</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>180.33%</b>		<b>185.29%</b>		<b>165.79%</b>		<b>170.57%</b>

Quantitative information on LCR for the year ended 31 March 2023:

(₹ in million)

Particulars	Quarter Ended 31 March 2023		Quarter Ended 31 December 2022		Quarter Ended 30 September 2022		Quarter Ended 30 June 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)	1,857.34	1,857.34	1,839.38	1,839.38	1,347.53	1,347.53	2,181.57	2,181.57
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured funding	893.00	1,026.95	1,088.48	1,251.75	774.28	890.42	669.66	770.11
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	3,216.27	3,698.71	2,865.99	3,295.89	2,597.23	2,986.81	3,859.54	4,438.47
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>8 Total Cash Outflows</b>	<b>4,109.27</b>	<b>4,725.66</b>	<b>3,954.47</b>	<b>4,547.64</b>	<b>3,371.51</b>	<b>3,877.23</b>	<b>4,529.20</b>	<b>5,208.58</b>
<b>Cash Inflows</b>								
9 Secured Lending	748.67	561.50	679.28	509.46	704.03	528.02	668.35	501.26
10 Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11 Other cash inflows	8,691.84	6,518.88	8,867.42	6,650.57	3,086.49	2,314.87	3,156.45	2,367.34
<b>12 Total Cash Inflows</b>	<b>9,440.51</b>	<b>7,080.38</b>	<b>9,546.70</b>	<b>7,160.03</b>	<b>3,790.52</b>	<b>2,842.89</b>	<b>3,824.80</b>	<b>2,868.60</b>
	<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>	
<b>13 Total HQLA</b>		<b>1,857.34</b>		<b>1,839.38</b>		<b>1,347.53</b>		<b>2,181.57</b>
<b>14 Total Net Cash Outflows</b>		<b>1,181.41</b>		<b>1,136.91</b>		<b>1,034.34</b>		<b>2,339.99</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>157.21%</b>		<b>161.79%</b>		<b>130.28%</b>		<b>93.23%</b>

Disclosures required by the RBI circular on Implementation of Indian Accounting Standards dated 13 March 2020

**58 A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109**

**As at 31 March 2024**

(₹ in million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing assets</b>						
Standard	Stage 1	79,719.68	182.47	79,537.21	250.40	(67.93)
	Stage 2	1,013.15	94.95	918.20	37.84	57.11
<b>Subtotal</b>		<b>80,732.83</b>	<b>277.42</b>	<b>80,455.41</b>	<b>288.24</b>	<b>(10.82)</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	1,241.33	323.70	917.63	263.24	60.46
Doubtful - up to 1 year	Stage 3	118.30	69.30	49.00	70.34	(1.04)
1 to 3 years	Stage 3	33.00	21.15	11.85	22.34	(1.19)
More than 3 years	Stage 3	0.77	0.28	0.49	0.58	(0.30)
<b>Subtotal for doubtful</b>		<b>152.07</b>	<b>90.73</b>	<b>61.34</b>	<b>93.26</b>	<b>(2.53)</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,393.40</b>	<b>414.43</b>	<b>978.97</b>	<b>356.50</b>	<b>57.93</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	16.94	(16.94)	-	16.94
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>16.94</b>	<b>(16.94)</b>	<b>-</b>	<b>16.94</b>
<b>Total</b>	<b>Stage 1</b>	<b>79,719.68</b>	<b>199.41</b>	<b>79,520.27</b>	<b>250.40</b>	<b>(50.99)</b>
	<b>Stage 2</b>	<b>1,013.15</b>	<b>94.95</b>	<b>918.20</b>	<b>37.84</b>	<b>57.11</b>
	<b>Stage 3</b>	<b>1,393.40</b>	<b>414.43</b>	<b>978.97</b>	<b>356.50</b>	<b>57.93</b>
	<b>Total</b>	<b>82,126.23</b>	<b>708.79</b>	<b>81,417.44</b>	<b>644.74</b>	<b>64.05</b>

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Notes forming part of the financial statements

As at 31 March 2023

(₹ in million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing assets</b>						
Standard	Stage 1	58,788.71	147.02	58,641.69	186.83	(39.81)
	Stage 2	758.61	86.50	672.11	41.18	45.32
<b>Subtotal</b>		<b>59,547.32</b>	<b>233.52</b>	<b>59,313.80</b>	<b>228.01</b>	<b>5.51</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	829.49	241.65	587.84	216.17	25.48
Doubtful - up to 1 year	Stage 3	106.94	67.30	39.64	66.69	0.61
1 to 3 years	Stage 3	36.50	20.77	15.73	21.74	(0.97)
More than 3 years	Stage 3	0.97	0.98	(0.01)	0.98	-
<b>Subtotal for doubtful</b>		<b>144.41</b>	<b>89.05</b>	<b>55.36</b>	<b>89.41</b>	<b>(0.36)</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>973.90</b>	<b>330.70</b>	<b>643.20</b>	<b>305.58</b>	<b>25.12</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	15.12	(15.12)	-	15.12
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>15.12</b>	<b>(15.12)</b>	<b>-</b>	<b>15.12</b>
<b>Total</b>	<b>Stage 1</b>	<b>58,788.71</b>	<b>162.14</b>	<b>58,626.57</b>	<b>186.83</b>	<b>(24.69)</b>
	<b>Stage 2</b>	<b>758.61</b>	<b>86.50</b>	<b>672.11</b>	<b>41.18</b>	<b>45.32</b>
	<b>Stage 3</b>	<b>973.90</b>	<b>330.70</b>	<b>643.20</b>	<b>305.58</b>	<b>25.12</b>
	<b>Total</b>	<b>60,521.22</b>	<b>579.34</b>	<b>59,941.88</b>	<b>533.59</b>	<b>45.75</b>

# Annual Accounts

Notes forming part of the financial statements

## 59 Disclosures required by the RBI vide Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

(₹ in million)

	Liabilities	As at 31 March 2024		As at 31 March 2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>1</b>	<b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>				
(a)	Debtures : Secured	2,841.71	-	3,589.55	-
	Debtures : Unsecured	-	-	-	-
(b)	Deferred credits	-	-	-	-
(c)	Term Loans	70,326.36	-	44,803.42	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans (Demand loans)	57.97	-	-	-
<b>2</b>	<b>Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
(a)	In the form of unsecured debtures	-	-	-	-
(b)	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-

(₹ in million)

	Assets	As at	As at
		31 March 2024	31 March 2023
		Amount outstanding	Amount outstanding
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a)	Secured	81,434.38	59,957.00
(b)	Unsecured	-	-
<b>4</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
(i)	Lease assets including lease rentals under sundry debtors	-	-
(a)	Financial lease	-	-
(b)	Operating lease	-	-
(ii)	Stock on hire including hire charges under sundry debtors	-	-
(a)	Assets on hire	-	-
(b)	Reposessed Assets (refer note below)	-	-
(iii)	Other loans counting towards asset financing activities	-	-
(a)	Loans where assets have been reposessed	-	-
(b)	Loans other than (a) above	-	-

# Annual Accounts

Notes forming part of the financial statements ■

(₹ in million)

		Assets	As at	As at
			31 March 2024	31 March 2023
			Amount outstanding	Amount outstanding
<b>5</b>		<b>Break-up of Investments</b>		
		<b>Current Investments**</b>		
	1	Quoted		
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	1,614.08	1,250.04
	(iv)	Government Securities	2,174.05	1,557.95
	(v)	Others	-	-
	2	Unquoted		
	(i)	Shares	-	-
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-
		<b>Long Term investments</b>		
	1	Quoted		
	(i)	Share		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-
	2	Unquoted		
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others	-	-

# Annual Accounts

Notes forming part of the financial statements

(₹ in million)

6	Borrower group-wise classification of assets financed as in (3) and (4) above:	As at 31 March 2024			As at 31 March 2023		
		Amount net of provisions			Amount net of provisions		
	Category	Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
(a)	Subsidiaries	-	-	-	-	-	-
(b)	Companies in the same group	-	-	-	-	-	-
(c)	Other related parties	-	-	-	-	-	-
2	Other than related parties	81,434.38	-	81,434.38	59,957.00	-	59,957.00
	<b>Total</b>	<b>81,434.38</b>	<b>-</b>	<b>81,434.38</b>	<b>59,957.00</b>	<b>-</b>	<b>59,957.00</b>

(₹ in million)

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31 March 2024		As at 31 March 2023	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties				
(a)	Subsidiaries	-	-	-	-
(b)	Companies in the same group	-	-	-	-
(c)	Other related parties	-	-	-	-
2	Other than related parties	3,788.13	3,788.13	2,807.99	2,807.99
	<b>Total</b>	<b>3,788.13</b>	<b>3,788.13</b>	<b>2,807.99</b>	<b>2,807.99</b>

(₹ in million)

8	Other information	As at	As at
		31 March 2024	31 March 2023
	Particulars	Amount	Amount
(i)	<b>Gross Non-Performing Assets</b>		
(a)	Related parties	-	-
(b)	Other than related parties	1,393.40	973.90
(ii)	<b>Net Non-Performing Assets</b>		
(a)	Related parties	-	-
(b)	Other than related parties	978.97	643.20
(iii)	<b>Assets acquired in satisfaction of debt</b>	-	-

Note: Loan Portfolio includes gross loans amounting to ₹ 261.33 million (31 March 2023: ₹ 169.18 million), out of which ₹21.00 million (31 March 2023: ₹ 27.57 million) pertains to retained portion of loans from the assigned portfolio, against which the Company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against these

loans is ₹ 411.38 million (31 March 2023: ₹ 312.56 million). Value of repossessed assets for loans written off is ₹ 52.16 million (31 March 2023: ₹ 35.12 million).

\*\*Current investment means an investment which is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made.

# Annual Accounts

Notes forming part of the financial statements

## Disclosures required by the RBI vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

### 60 Capital

The following table sets forth, for the years indicated, the details of capital to risk assets ratio:

	As at 31 March 2024	As at 31 March 2023
i) Capital to risk assets ratio (CRAR) (%)	39.48%	49.38%
ii) CRAR – Tier I Capital (%)	39.08%	48.89%
iii) CRAR – Tier II Capital (%)	0.40%	0.49%
iv) Amount of subordinated debt raised as Tier II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

The above CRAR has been calculated in accordance with the RBI circular on Implementation of Indian Accounting Standards dated 13 March 2020.

The following table sets forth, for the years indicated, the details of capital to risk assets ratio under RBI Guidelines:

	As at 31 March 2024	As at 31 March 2023
i) CRAR (%)	38.63%	48.51%
ii) CRAR – Tier I Capital (%)	38.23%	48.02%
iii) CRAR – Tier II Capital (%)	0.40%	0.49%
iv) Amount of subordinated debt raised as Tier II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

### 61 Reserve fund under section 29C of NHB Act, 1987

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>		
a) Statutory reserve u/s 29C of NHB Act, 1987	103.04	103.04
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,272.90	813.90
	<b>1,375.94</b>	<b>916.94</b>
<b>Addition/ Appropriation/ Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of NHB Act, 1987	79.10	-
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	535.90	459.00
<b>Less:</b>		
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of NHB Act, 1987	182.14	103.04
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	1,808.80	1,272.90
<b>Total</b>	<b>1,990.94</b>	<b>1,375.94</b>

# Annual Accounts

Notes forming part of the financial statements

## 62 Investments

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
<b>Value of investments</b>		
i) Gross value of investments		
(a) In India	3,788.13	2,807.99
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	3,788.13	2,807.99
(b) Outside India	-	-
<b>Movement of provision held towards depreciation on investments</b>		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / write back of excess provision during the year	-	-
iv) Closing balance	-	-

## 63 Derivatives

### 63.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
i) The notional principal of swap agreements/ forward contracts	4,530.79	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps / forward contracts	-	-
iv) Concentration of credit risk arising from the swaps / forward contracts*	-	-
v) The fair value of the swap book / forward contracts	3.44	-

\*The Company has entered in to derivative contracts with Scheduled Commercial Bank during the year ended 31 March 2024.

### 63.2 Exchange traded interest rate (IR) derivative

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding (instrument-wise)	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

### 63.3 Disclosures on Risk Exposure in Derivatives

#### A. Qualitative Disclosure

The Company manages various risks associated with the lending business, including liquidity risk, foreign exchange risk, interest rate risk and counterparty risk.

To manage these risks, the Company has Board approved policies and framework, including the Risk Management Policy and ALCO Policy, which sets limits for exposures on currency, interest rates and other parameters. The Company manages its currency risk and enters in to derivative contracts in accordance with the guidelines prescribed therein.

# Annual Accounts

Notes forming part of the financial statements

Liquidity risk and Interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk on borrowings is actively managed mainly through derivative financial instruments by entering in to forward

contracts. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Risk Management Committee.

## B. Quantitative Disclosure

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
i) Derivatives (Notional Principal Amount)	4,530.79	-
ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(a) Liability (-)	3.44	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

### 64 Gold loan

The Company does not provide any loans on collateral of gold and gold jewelleryes.

### 65 Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹ in million)

	As at 31 March 2024				
	Borrowings from banks (Refer (i) below)	Market borrowings	Foreign currency liabilities	Loans (Refer (ii) below)	Investments (Refer (iii) below)
1 to 7 days	84.58	-	-	268.45	2,480.25
8 to 14 days	91.73	-	99.69	268.45	620.20
15 days to one month	509.74	-	-	613.61	1,462.47
Over 1 month and up to 2 months	498.67	-	161.57	1,150.51	2,104.29
Over 2 months and up to 3 months	1,207.44	-	-	1,150.51	1,351.80
Over 3 months and up to 6 months	3,431.01	-	261.26	3,451.54	50.00
Over 6 months and up to 1 year	7,403.21	-	522.20	6,903.07	1,436.46
Over 1 year and up to 3 years	26,144.23	1,110.11	1,694.85	27,612.30	81.82
Over 3 years and up to 5 years	17,989.56	1,110.11	1,292.59	28,084.69	305.45
Over 5 years	8,442.62	555.06	410.79	11,931.25	-
<b>Total</b>	<b>65,802.79</b>	<b>2,775.28</b>	<b>4,442.95</b>	<b>81,434.38</b>	<b>9,892.74</b>

### Asset liability management (Maturity pattern of certain items of assets and liabilities)

(₹ in million)

	As at 31 March 2023				
	Borrowings from banks (Refer (i) below)	Market borrowings	Foreign currency liabilities	Loans (Refer (ii) below)	Investments (Refer (iii) below)
1 to 7 days	47.36	-	-	160.72	1,454.48
8 to 14 days	224.71	-	-	160.72	350.05
15 days to one month	379.46	-	-	367.36	-
Over 1 month and up to 2 months	351.28	-	-	711.77	191.25
Over 2 months and up to 3 months	993.84	699.71	-	711.77	1,038.44
Over 3 months and up to 6 months	2,796.46	-	-	2,135.30	-
Over 6 months and up to 1 year	5,222.64	-	-	4,270.60	720.08
Over 1 year and up to 3 years	18,245.61	553.96	-	17,082.36	10.12
Over 3 years and up to 5 years	11,479.94	1,107.91	-	17,336.10	205.43
Over 5 years	4,923.94	1,107.91	-	17,020.30	208.47
<b>Total</b>	<b>44,665.24</b>	<b>3,469.49</b>	<b>-</b>	<b>59,957.00</b>	<b>4,178.32</b>

# Annual Accounts

Notes forming part of the financial statements

Notes:

- (i) Borrowings from banks includes borrowings from financial institutions and excludes foreign currency borrowings from banks.
- (ii) Classification of assets and liabilities under different maturity buckets is based on the estimates

and assumptions as used by the Company.

- (iii) Investments includes deposits with banks.

- (iv) The Company does not have deposits and foreign currency assets as at 31 March 2024 and 31 March 2023.

## 66 Exposure

### 66.1 Exposure to real estate sector

(₹ in million)

Category	As at 31 March 2024	As at 31 March 2023
<b>A) Direct exposure</b>		
<b>(i) Residential mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	80,856.02	59,490.91
<b>(ii) Commercial real estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	1,270.21	1,030.31
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
<b>B) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
<b>Total Exposure to real estate sector</b>	<b>82,126.23</b>	<b>60,521.22</b>

### 66.2 Exposure to capital market

The Company does not have any exposure to capital market sector as at 31 March 2024 and 31 March 2023.

### 66.3 Sectoral Exposure

(₹ in million)

Sectors	As at 31 March 2024			As at 31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	-	-	0.00%	-	-	0.00%
<b>2. Industry</b>	-	-	0.00%	-	-	0.00%
<b>3. Services</b>						
i. Commercial Real Estate	135.34	58.69	43.36%	255.09	7.46	2.93%
<b>Total of Services</b>	<b>135.34</b>	<b>58.69</b>	<b>43.36%</b>	<b>255.09</b>	<b>7.46</b>	<b>2.93%</b>
<b>4. Personal loans</b>						
i. Housing (Including Priority Sector Housing)	72,868.00	1,096.20	1.50%	55,970.17	813.29	1.45%
ii. Loan Against Property	13,366.45	119.12	0.89%	8,586.23	58.62	0.68%
iii. Other Personal loans	7,658.80	119.39	1.56%	5,904.26	94.53	1.60%
<b>Total of Personal loans (i. + ii. + iii.)</b>	<b>93,893.25</b>	<b>1,334.71</b>	<b>1.42%</b>	<b>70,460.66</b>	<b>966.44</b>	<b>1.37%</b>

**66.4 Details of financing of parent company products:** Not applicable.

### 66.5 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded single or group borrower exposure limit as prescribed by RBI guidelines during the year ended 31 March 2024 and 31 March 2023.

# Annual Accounts

Notes forming part of the financial statements

## 66.6 Unsecured advances

There are no unsecured advances against intangible securities such as rights, licenses, authorisations as collateral security during the year ended 31 March 2024 and 31 March 2023.

## 66.7 Exposure to group companies engaged in real estate business

	As at 31 March 2024		As at 31 March 2023	
	Amount (₹ in million)	% of owned funds	Amount (₹ in million)	% of owned funds
Exposure to any single entity in a group engaged in real estate business	-	-	-	-
Exposure to any all entities in a group engaged in real estate business	-	-	-	-

## 66.8 Intra-group exposures

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	Nil	Nil
Total amount of top 20 intra-group exposures	Nil	Nil
Percentage of intra-group exposures to total exposure of the HFC on borrowers/ customers	Nil	Nil

## 66.9 Unhedged foreign currency exposure

There were no unhedged foreign currency exposures as at 31 March 2024 and 31 March 2023. Refer note 33 for policies to manage currency induced risk.

## 67 Related Party Disclosure

67.1 Refer note 30 for Related party disclosures in accordance with Indian Accounting standard 24.

List of related parties in accordance with the Companies Act, 2013 are given below.

Nature of relationship	Name of related party
Entity having significant influence	True North Fund V LLP
Entity having significant influence	True North Managers LLP
Entity having significant influence	True North Enterprise Private Limited
Entity having significant influence	Aether (Mauritius) Limited
Entity having significant influence	Orange Clove Investments B.V.
Director	Mr. Manoj Viswanathan - Managing Director and Chief Executive Officer
Director	Mr. Deepak Satwalekar - Independent Director
Director	Mr. Divya Sehgal - Nominee Director
Director	Mr. Maninder Singh Juneja - Nominee Director
Director	Mr. Vishal Vijay Gupta - Nominee Director (up to 10 June 2022)
Director	Mr. Narendra Ostawal - Nominee Director
Director	Mr. Anuj Srivastava - Independent Director
Director	Ms. Geeta Dutta Goel - Independent Director
Director	Ms. Sucharita Mukherjee - Independent Director
Key Management Personnel (KMP)	Mr. Shreyans Bachhawat - Company Secretary
Key Management Personnel (KMP)	Ms. Nutan Gaba Patwari - Chief Financial Officer
Entity with common Director (where there are transactions)	Perfios Software Solutions Pvt Ltd (up to 10 June 2022)

# Annual Accounts

Notes forming part of the financial statements

## 67.2 Transactions with related parties:

During year ended 31 March 2024:

(₹ in million)

Related Party Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	23.37	23.97	-	47.34
Exercise of ESOP	-	1.17	9.75	-	10.92
Directors' commission	-	5.38	-	-	5.38
Others	(0.17)	2.40	-	-	2.23

During year ended 31 March 2023:

(₹ in million)

Related Party Items	Entity having significant influence	Directors	Key Management Personnel	Others	Total
Remuneration	-	19.88	20.09	-	39.97
Directors' commission	-	4.92	-	-	4.92
Deputing charges	4.27	-	-	-	4.27
Others	-	2.40	-	0.11	2.51

## 68 Miscellaneous

### 68.1 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India. The Company is acting as a corporate agent and is registered with the Insurance Regulatory and Development Authority of India (IRDAI) vide registration number CA0909.

**68.2 Group structure:** Not Applicable. The Company does not have any holding, subsidiary or associate company.

### 68.3 Rating assigned by credit rating agency and migration of rating during the year

As at 31 March 2024

Instrument	Rating agency	Rating	Comments
Commercial paper	ICRA	ICRA A1+	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	India Ratings & Research	IND A1+	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA	ICRA AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	CARE	Care AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Term loans	India Ratings & Research	IND AA- (Positive)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Non-convertible debentures	ICRA	ICRA AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Non-convertible debentures	India Ratings & Research	IND AA- (Positive)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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Notes forming part of the financial statements

## As at 31 March 2023

Instrument	Rating agency	Rating	Comments
Commercial paper	ICRA	ICRA A1+	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	India Ratings & Research	IND A1+	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA	ICRA AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	CARE	Care AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Term loans	India Ratings & Research	IND AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Non-convertible debentures	ICRA	ICRA AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Non-convertible debentures	India Ratings & Research	IND AA- (Stable)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

## Details of migration of ratings during the year ended 31 March 2024

Instrument	Rating Agency	As at 31 March 2024	As at 31 March 2023
Term loans	India Ratings & Research	IND AA- (Positive)	IND AA- (Stable)
Non-convertible debentures	India Ratings & Research	IND AA- (Positive)	IND AA- (Stable)

## Details of migration of ratings during the year ended 31 March 2023

Instrument	Rating Agency	As at 31 March 2023	As at 31 March 2022
Term loans	ICRA	ICRA AA- (Stable)	ICRA A+ (Positive)
Non-convertible debentures	ICRA	ICRA AA- (Stable)	ICRA A+ (Positive)
Term loans	CARE	Care AA- (Stable)	Care A+ (Stable)

### 68.4 Net Profit or Loss for the period, prior period items and changes in accounting policies

The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

### 68.5 Revenue Recognition

There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

### 68.6 Consolidated Financial Statements (CFS)

The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

# Annual Accounts

Notes forming part of the financial statements

## 69 Provisions and Contingencies

### 69.1 Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement of profit and loss

	(₹ in million)	
	Year ended 31 March 2024	Year ended 31 March 2023
i) Provisions for depreciation on investment	-	-
ii) Provision made towards income tax	942.43	669.28
iii) Provision towards non performing assets (NPA)	83.73	78.19
iv) Provision for standard assets		
- Commercial real estate	(2.70)	2.43
- Commercial real estate - RH	(12.38)	6.48
- Others	59.02	10.57
v) Other Provisions and Contingencies - Provision for gratuity and compensated absences (including Other Comprehensive Income)	16.13	12.54

### 69.2 Break up of loan and advances and provisions thereon

(₹ in million)

	Housing loan		Non housing loan	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Standard assets</b>				
a) Total outstanding amount	61,259.80	46,335.13	19,473.03	13,212.18
b) Provisions made	222.38	186.68	55.04	46.84
<b>Sub - Standard assets</b>				
a) Total outstanding amount	1,025.57	694.92	215.76	134.58
b) Provisions made	282.24	207.45	41.46	34.20
<b>Doubtful assets - Category-I</b>				
a) Total outstanding amount	99.57	86.62	18.73	20.32
b) Provisions made	61.93	55.94	7.37	11.36
<b>Doubtful assets - Category-II</b>				
a) Total outstanding amount	27.76	30.78	5.24	5.72
b) Provisions made	19.08	17.88	2.07	2.89
<b>Doubtful assets - Category-III</b>				
a) Total outstanding amount	0.60	0.97	0.17	-
b) Provisions made	0.23	0.98	0.05	-
<b>Loss assets</b>				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Total</b>				
a) Total outstanding amount	<b>62,413.30</b>	<b>47,148.42</b>	<b>19,712.93</b>	<b>13,372.80</b>
b) Provisions made	<b>585.86</b>	<b>468.93</b>	<b>105.99</b>	<b>95.29</b>

### 69.3 Divergence in Asset Classification and Provisioning

There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2024 and 31 March 2023.

### 70 Draw down from reserves

Refer note 19 for disclosure pertaining to draw

down from reserves during the year ended 31 March 2024 and 31 March 2023.

### 71 Concentration of public deposits, advances, exposures and NPA's

#### 71.1 Concentration of public deposits (for public deposit taking/ holding HFCs)

The Company does not accept any public deposits and hence the same is not applicable.

# Annual Accounts

Notes forming part of the financial statements

	As at 31 March 2024	As at 31 March 2023
Total Deposits of twenty largest depositors (₹ in million)	Not Applicable	Not Applicable
Percentage of Deposits of twenty largest depositors to total deposits of the deposit taking HFC	Not Applicable	Not Applicable

## 71.2 Concentration of loans and advances

	As at 31 March 2024	As at 31 March 2023
Total loans and advances to twenty largest borrowers (₹ in million)	235.29	316.37
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	0.29%	0.52%

## 71.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers (₹ in million)	263.23	359.24
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	0.28%	0.51%

## 71.4 Concentration of Non performing assets (NPA)

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Total exposure to top ten NPA accounts*	38.83	27.19

\* The exposure is disclosed at customer level and netted off by impairment loss allowance.

## 71.5 Sector wise Non performing assets (NPAs)

Sector wise percentage of NPAs to total advances in that sector	As at 31 March 2024	As at 31 March 2023
<b>A Housing loans:</b>		
1 Individuals	1.76%	1.73%
2 Builders/Project loans	100.00%	-
3 Corporates	-	-
4 Others	-	-
<b>B Non housing loans:</b>		
1 Individuals	1.22%	1.20%
2 Builders/Project loans	100.00%	-
3 Corporates	-	-
4 Others	-	-

# Annual Accounts

Notes forming part of the financial statements

## 72 Movement of Non performing assets (NPAs)

	As at 31 March 2024	As at 31 March 2023
(I) Net NPAs to net advances (%)	1.20%	1.07%
(II) Movement of NPAs (Gross)		
a) Opening balance (₹ in million)	973.90	1,015.23
b) Additions during the year (net) (₹ in million)	1,042.32	602.97
c) Reductions during the year (₹ in million)	622.82	644.30
d) Closing balance (₹ in million)	1,393.40	973.90
(III) Movement of Net NPAs		
a) Opening balance (₹ in million)	643.20	762.72
b) Additions during the year (net) (₹ in million)	745.76	356.40
c) Reductions during the year (₹ in million)	409.99	475.92
d) Closing balance (₹ in million)	978.97	643.20
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance (₹ in million)	330.70	252.51
b) Provision made during the year (net) (₹ in million)	296.56	246.57
c) Write-off/ write-back of excess provisions during the year (₹ in million)	212.83	168.38
d) Closing balance (₹ in million)	414.43	330.70

## 73 Overseas assets

	As at 31 March 2024	As at 31 March 2023
Nil	-	-

## 74 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored	As at 31 March 2024		As at 31 March 2023	
	Domestic	Overseas	Domestic	Overseas
Nil	-	-	-	-

## 75 Disclosure of complaints

### 75.1 Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Complaints received by the Company from its customers</b>		
1. Number of complaints pending at the beginning of the year	0	0
2. Number of complaints received during the year	360	397
3. Number of complaints disposed during the year	358	397
3.1 Of which, number of complaints rejected by the Company	0	0
4. Number of complaints pending at the end of the year	2	0

# Annual Accounts

Notes forming part of the financial statements

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Maintainable complaints received by the Company from Office of Ombudsman</b>		
5.* Number of maintainable complaints received by the Company from Office of Ombudsman	NA	NA
5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	NA	NA
5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	NA	NA
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	NA	NA
6.* Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the scheme.

\* The Reserve Bank - Integrated Ombudsman Scheme, 2021 is not applicable to the Company.

## 75.2 Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Year ended 31 March 2024</b>					
1. Document related (Account statement, outstanding letter, tax certificate, etc)	-	94	42%	-	-
2. Transaction related (EMI, part payments, ECS, etc)	-	85	113%	1	-
3. Pricing related (Rate of interest, fees, etc)	-	45	-18%	-	-
4. Product related (Top up loan, Auto prepayments, etc)	-	43	34%	-	-
5. PMAY Subsidy related	-	38	-67%	1	-
6. Others	-	55	-38%	-	-
<b>Total</b>	-	<b>360</b>	<b>-10%</b>	<b>2</b>	-
<b>Year ended 31 March 2023</b>					
1. PMAY Subsidy related	-	115	14%	-	-
2. Document related (Account statement, outstanding letter, tax certificate, etc)	-	66	43%	-	-
3. Pricing related (Rate of interest, fees, etc)	-	55	129%	-	-
4. Transaction related (EMI, part payments, ECS, etc)	-	40	-20%	-	-
5. Loan closure related	-	34	1033%	-	-
6. Others	-	87	142%	-	-
<b>Total</b>	-	<b>397</b>	<b>38%</b>	-	-

# Annual Accounts

Notes forming part of the financial statements

## 76 Breach of covenants

The Company has complied with the financial covenants under the terms of major borrowing facilities throughout the year ended 31 March 2024 and 31 March 2023.

## 77 Loans to Directors, Senior Officers and relatives of Directors

(₹ in million)

	As at 31 March 2024	As at 31 March 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

## 78 Principal business criteria

	As at 31 March 2024	As at 31 March 2023
Housing Loan (₹ in million)	62,413.30	47,148.43
Construction Finance - Residential (₹ in million)	57.31	152.27
Housing Finance (clauses a to k of para 4.1.16)	65.56%	70.09%
Housing finance for individuals (clauses a to e of para 4.1.16)	65.50%	69.87%

79 There were no instances of fraud reported during the year ended 31 March 2024 and 31 March 2023.

80 Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

### For and on behalf of the Board of Directors

Manoj Viswanathan  
Managing Director &  
Chief Executive Officer  
DIN No.: 01741612  
Place: Mumbai  
Date: 08 May 2024

Maninder Singh Juneja  
Director  
DIN No.: 02680016  
Place: Mumbai  
Date: 08 May 2024

Nutan Gaba Patwari  
Chief Financial Officer  
Place: Mumbai  
Date: 08 May 2024

Shreyans Bachhawat  
Company Secretary  
Place: Mumbai  
Date: 08 May 2024

## Price Waterhouse Chartered Accountants LLP

### Independent practitioner's limited assurance report on Identified Sustainability Information in Home First Finance Company India Limited's Integrated Annual Report

#### To the Board of Directors of Home First Finance Company India Limited

We have undertaken to perform a limited assurance engagement for Home First Finance Company India Limited (the "Company") vide our Engagement Letter dated March 20, 2024 and addendum thereto dated May 18, 2024 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the "GRI Content Index" section in the Integrated Annual Report (the "Integrated Annual Report") of the Company for the financial year ended March 31, 2024.

This engagement was conducted by a team comprising of assurance practitioners and environment experts.

#### Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024 is summarized in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report and, therefore, do not express any opinion thereon.

#### Criteria

The criteria used by the Company is Global Reporting Initiatives Standards ("GRI Standards") 2021 to prepare Identified Sustainability Indicators, as set out under Appendix 1 to this report, for inclusion in the Integrated Annual Report.

#### Management's Responsibilities

The Company's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, and measurement of Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error.



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T: +91 (79) 6924 7000, F: +91 (79) 6924 7082

Registered office and Head office: 11-A, Vastu Gyanesh Marg, Sushiksha Bhawan, Gate No. 5, 1st Floor, New Delhi - 110005

Price Waterhouse (a Partnership Firm) converted to Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership) with effect from July 23, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754MMS00018 (ICAI registration number before conversion was 012754M)

## Price Waterhouse Chartered Accountants LLP

### Inherent limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality Reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.



## Price Waterhouse Chartered Accountants LLP

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Made enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, Human Resource team etc., and those with responsibility for managing company's Integrated annual reporting.
- Obtained an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the agreed indicators/parameters as per Appendix 1 including at the corporate office visited. This did not include testing the operating effectiveness of management systems and controls.
- Checked the consolidation for various offices under the reporting boundary (as mentioned in the Integrated Annual Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Information at corporate office, to check that data had been appropriately measured with underlying documents recorded, collated and reported.
- Assessed the level of adherence to GRI Standards, 2021 followed in preparing the Integrated Annual Report.
- Assessed the Integrated Annual Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report on performance with respect to Identified Sustainability Information and relevant source data/information.
- Obtained representations from the Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.



## Price Waterhouse Chartered Accountants LLP

### Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls.
- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1.
- Aspects of the Integrated Annual Report and data/ information (qualitative or quantitative) included in the Integrated Annual Report other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e. April 1, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

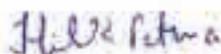
### Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information summarized in Appendix 1 and included in the Integrated Annual Report for the financial year ended March 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

### Restriction on Use

Our Limited Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Hiral Parwa  
Partner  
Membership Number: 128990  
UDIN: 24128990BKGXTS6891

Place: Pune  
Date: May 28, 2024

## Price Waterhouse Chartered Accountants LLP

### Appendix 1

#### Identified Sustainability Information

S. No	GRI Indicator Reference	Indicator Description
1	401-1	New employee hires and employee turnover
2	403-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
3	401-3	Parental leave
4	404-1	Average Hours of training per year per employee
5	404-2	Programs for upgrading employee skills and transition assistance programs
6	404-3	Percentage of employees receiving regular performance and career development reviews
7	405-1	Diversity of governance bodies and employees
8	405-2	Ratio of basic salary and remuneration of women to men
9	406-1	Incidents of discrimination and corrective actions taken
10	413-1	Operations with local community engagement, impact assessment, and development programs
11	302-1	Energy consumption within the organization
12	305-2	Energy indirect (Scope 2) GHG emissions



# Notice of the Annual General Meeting

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 15<sup>th</sup> ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF HOME FIRST FINANCE COMPANY INDIA LIMITED ("THE COMPANY") IS SCHEDULED TO BE HELD ON THURSDAY, JUNE 20, 2024 AT 12:00 NOON (IST) THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:**

### Ordinary Businesses:

1. To receive, consider and adopt:  
The Audited Balance Sheet, Statement of Profit and Loss and Cash Flow Statement with notes forming part thereof, the Directors' Report (along with all the annexures) and Auditor's Report for the financial year ended March 31, 2024.
2. To declare final dividend of ₹3.40/- per equity share for the FY24.
3. To appoint a director in place of Mr. Narendra Ostawal (DIN: 06530414), who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint the Statutory Auditors of the Company  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies, Act 2013 ("**Act**") read with the Companies (Audit and Auditors) Rules 2014, Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("**RBI**") and Frequently Asked Questions dated June 11, 2021 ("**RBI Guidelines**") (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) and on the recommendation of Audit Committee and approval of Board of Directors, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022), be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a period of three consecutive years commencing from the conclusion of the 15th Annual General Meeting to be held in year 2024

until the conclusion of the 18th Annual General Meeting to be held in the year 2027 on such remuneration including fees for certification and other items as may be mutually agreed between the Board of Directors and Statutory Auditors, payable in one or more installments, taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the audit of the accounts of the Company.

**RESOLVED FURTHER THAT** the Board of Directors or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements, and writings as may be necessary for the purpose of giving effect to this Resolution."

### Special Businesses:

5. **To consider and approve the reappointment of Mr. Deepak Satwalekar (DIN:00009627) as Chairman and Non-Executive, Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the Articles of Association of the Company and on the recommendation of Nomination and

# Notice of the Annual General Meeting

Remuneration Committee and approval of Board of Directors, Mr. Deepak Satwalekar (DIN: 00009627), who holds office as an Independent Director upto October 22, 2024, be and is hereby reappointed as Chairman and Non-Executive Independent Director, not liable to retire by rotation, for a second term of five consecutive years commencing from October 23, 2024.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of Listing Regulations, as amended from time to time, applicable provisions of Companies Act, 2013 and rules made thereunder, and on recommendation of Nomination and Remuneration Committee and approval of Board of Directors, the consent of the Members be and is hereby accorded for continuation of directorship of Mr. Deepak Satwalekar (DIN: 00009627), who has attained the age of Seventy five years for a second term of five consecutive years commencing from October 23, 2024.

**RESOLVED FURTHER THAT** the Board of Directors or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements, and writings as may be necessary for the purpose of giving effect to this Resolution."

**6. To approve the increase in borrowing powers in excess of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at the 14<sup>th</sup> Annual General Meeting held on June 8, 2023 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the

time being in force) and as per the applicable directions / guidelines issued by the Reserve Bank of India ("**RBI**") or National Housing Bank ("**NHB**") and the relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**the Board**" which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers, including the powers conferred upon by this resolution) for borrowing from time to time, as they may think fit for the purpose of the business of the Company, any sum or sums of money not exceeding ₹15,000 crore (Rupees Fifteen Thousand Crores only) (including the money(ies) already borrowed by the Company) in Indian Rupees or in any equivalent foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured, whether domestic or international, and if secured, whether by way of charge, by way of mortgage or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including stock in trade (receivables), notwithstanding that the money to be borrowed together with the money(ies) already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining undischarged at any given time, exceed the aggregate, for the time being, of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium provided that the total borrowing limit shall be within the limits prescribed under the RBI Master Directions.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized for borrowing from time to time, as it may think fit, any sum or sums of money

# Notice of the Annual General Meeting

not exceeding ₹ 15,000 crore (Rupees Fifteen Thousand Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the money(ies) already borrowed by the Company) on such terms and conditions as the Board may deem fit, by way of loans, or in any other form whatsoever, or issue of Bonds and/or Non-Convertible Debentures or other Securities or Term Loans, Cash Credit facilities or other facilities in form of debt in the nature of Debentures, Commercial Papers and the like to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non- Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether Securities holder of the Company or not.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and the Board or Committee of Directors be and is hereby authorized to arrange or finalise the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, agreements and writings and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

**7. To approve creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at the 14th Annual General Meeting held on June 8, 2023 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including

any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/guidelines issued by the Reserve Bank of India ("**RBI**") or National Housing Bank ("**NHB**") and relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**the Board**" which term shall be deemed to include any Committee of the Board, constituted/ to be constituted / reconstituted to exercise its powers including the powers conferred by this resolution) to create charge by way of mortgage(s) and/or hypothecation and/or lien or otherwise on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future and / or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) wherever situated, on such terms and conditions at such time(s) and in such form and manner, and with such ranking in terms of priority, as the Board in its absolute discretion thinks fit, to or in favor of any Bank(s) or Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or Security Trustee(s) or body(ies) corporate or person(s), whether Securities holders of the Company or not, to secure the borrowing facility together with interest, cost, charges and expenses thereon for amount not exceeding ₹ 15,000 crores (Rupees Fifteen Thousand Crores only) at any point of time (including the money(ies) already borrowed by the Company).

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank exclusive/prior/pari-passu/subsequent with/to the hypothecation/mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

# Notice of the Annual General Meeting

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

**8. To approve Home First Finance Company India Limited - Employee Stock Option Scheme 2024 ("HomeFirst ESOP Scheme 2024") for eligible employees of Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 ("**Act**") read with all other applicable provisions, if any, of the Act and the Rules notified thereunder and pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Memorandum of Association ("**MOA**") and the Articles of Association ("**AOA**") of the Company, and such other rules, regulations, notifications, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the "**Applicable Laws**"), and subject to any approval(s), consent(s), permission(s) and sanction(s) of any / various authority(ies) as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" (which term shall include the Nomination and Remuneration Committee ("**NRC**")), the approval of the members be and is hereby accorded to introduce and implement

'Home First Finance Company India Limited - Employee Stock Option Scheme 2024' ("**HomeFirst ESOP Scheme 2024**"), the salient features of which are furnished in the Explanatory Statement to this Notice and the Board be and is hereby authorized to create, grant, offer, issue and allot from time to time, in one or more tranches, not exceeding 26,55,485 (Twenty Six Lakhs Fifty-Five Thousand Four Hundred Eighty-Five Only) share-based options to eligible employees under the HomeFirst ESOP Scheme 2024 of the Company, on such terms and conditions as provided in the HomeFirst ESOP Scheme 2024 and as may be fixed or determined by the Board.

**RESOLVED FURTHER THAT** the maximum number of options granted to eligible employees under the HomeFirst ESOP Scheme 2024 shall not exceed 26,55,485 (Twenty Six Lakhs Fifty-Five Thousand Four Hundred Eighty-Five Only) in one or more tranches from time to time, and each option on exercise shall entitle the employee 1 (one) equity share of the Company.

**RESOLVED FURTHER THAT** the equity shares, if any, issued/allotted from time to time in accordance with the HomeFirst ESOP Scheme 2024, shall rank pari-passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the approval of the members of the Company, is hereby accorded to the Board to take necessary steps for listing of the equity shares allotted under the HomeFirst ESOP Scheme 2024 on the Stock Exchanges where the equity shares of the Company are listed in due compliance with the SEBI SBEB Regulations and other Applicable Laws.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation, demerger or sale of division/undertaking, change in capital structure or other re-organization etc. the number of abovementioned options in the HomeFirst ESOP Scheme 2024 and/or the exercise price shall be appropriately adjusted and above ceiling in terms of number of equity shares / stock options shall be deemed to be increased in proportion to the additional equity shares issued in the event of aforesaid corporate action(s).

# Notice of the Annual General Meeting

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**RESOLVED FURTHER THAT** for the purpose of bringing into effect and implementing the HomeFirst ESOP Scheme 2024 and generally for giving effect to this resolution, each member of the Board and/or the NRC or the Chief Financial Officer or the Company Secretary be and are hereby severally authorized, on behalf of the Company, to devise, formulate, modify, change,

vary, alter, amend, suspend or terminate the HomeFirst ESOP Scheme 2024, subject to compliance with the applicable laws and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

**By order of the Board of Directors,  
For Home First Finance Company India Limited  
Sd/-  
Shreyans Bachhawat  
Company Secretary & Compliance Officer  
Mem No: A26700  
Date: May 29, 2024  
Place: Mumbai**

**Registered & Corporate Office Address:**  
511, Acme Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai-400059.  
CIN: L65990MH2010PLC240703  
Tel: 022 6694 0386  
**E-mail:** [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)  
**Website:** [www.homefirstindia.com](http://www.homefirstindia.com)

# Notice of the Annual General Meeting

## Notes:

1. In accordance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "**MCA Circulars**") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as "**SEBI Circulars**") (MCA Circulars and SEBI Circulars are hereinafter collectively referred to as the "**Circulars**") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the AGM is being held through Video Conferencing ("VC") facility / Other Audio Visual Means ("**OAVM**") without the physical presence of the Members at a common venue on Thursday, June 20, 2024 at 12:00 noon (IST). The deemed venue for the AGM shall be the registered office of the Company. Since the AGM will be held through VC, the route map and attendance slip are not annexed to this AGM Notice.
2. Pursuant to the provisions of Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (as amended) and the Circulars, the Company is holding its AGM through VC/OAVM, without the physical presence of the Members at a common venue. For the said purpose the Company has engaged the services of National Securities Depository Limited ("**NSDL**") for conducting AGM through VC/OAVM. Further, NSDL has also been engaged for facilitating e-voting to enable the Members to cast their votes electronically using remote e-voting system as well as e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained in the notes below.
3. Annual Report for Financial Year 2023-24 ("**FY24**") along with the Notice of the 15<sup>th</sup> Annual General Meeting ("**AGM Notice**") is being sent to the shareholders in electronic form, to the e-mail address registered by them with the Company/ Depositories. The AGM Notice and Annual report for the financial year 2023-24 shall also be placed on the website of the Company i.e. [www.homefirstindia.com](http://www.homefirstindia.com) and the website of National Securities Depository Limited i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com)). The physical copy of the Annual Report will be sent to the shareholders based on the specific request received at [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com).
4. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts relating to the special business(es) to be transacted at the AGM is annexed hereto. The Board of Directors, at its meeting held on May 8, 2024 considered that the Special businesses under Item Nos. 5 to 8 being unavoidable, be transacted at the AGM. Further, the relevant details with respect to Item Nos. 3 and 5 pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are also annexed.
5. All documents referred to in the AGM Notice will be available for electronic inspection without any fee by the members from the date of circulation of this AGM Notice up to the date of AGM, i.e. Thursday, June 20, 2024. Members seeking to inspect such documents can send an email to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com).
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, as applicable and the Certificate from the

# Notice of the Annual General Meeting

Secretarial Auditors pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the Members during the AGM. Further, Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company from their registered email address, mentioning their name, DPID and Client ID number and mobile number, at least 48 hours in advance before the commencement of the Meeting i.e. latest by Tuesday, June 18, 2024, 12.00 noon (IST) through email to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com). Such questions shall be taken up during the meeting or replied by the Company suitably. The Company reserves the right to restrict the number of questions time depending upon the availability of time at the AGM.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Pursuant to Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointing proxies by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy form is not annexed to the AGM Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM. Corporate Members intending to appoint their representatives are requested to send a scanned certified copy of the Board resolution authorizing their representatives to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com) with a copy marked to [aashish@aashishbhatt.in](mailto:aashish@aashishbhatt.in) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
8. The AGM Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Beneficial owner and Record of Depositories as on Friday, May 24, 2024 in accordance with the provisions of the Act read with Rules made thereunder and the Circulars.
9. The Company has fixed Friday, June 07, 2024 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.
10. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or before Friday, July 19, 2024 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the NSDL and the Central Depository Services (India) Limited ("**CDSL**"), collectively "Depositories", as of end of day on Friday, June 07, 2024.
11. In order to promote optimum utilization of natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, Bank details covering name of the Bank and branch details, Bank account number, MICR code, IFSC code, etc. with their depository participants to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.  
  
Further, it may be noted for the purpose of receiving dividend the members are requested to contact your Depository Participant (DP) and register your email id and bank account details with your demat account at the earliest, as per the process advised by your Depository Participant.
12. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs. Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com) by 11:59 p.m. IST on Monday, June 10, 2024.

# Notice of the Annual General Meeting

Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act, the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Income-tax Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors ("**FIIs**") / Foreign Portfolio Investors ("**FPIs**")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Monday, June 10, 2024.

13. Members are requested to note that, Dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("**IEPF**"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
14. The facility for electronic voting system, shall also be made available during the AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights during the AGM. The Members who have already casted their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.
15. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote

for every Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on the cut-off date and any person who is not a member as on that date should treat this AGM Notice for information purposes only. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/Beneficial owner of the Company as on the cut-off date will be entitled to vote during the AGM.

16. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned Circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website.
17. Members may join the AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 11:30 A.M. (IST) i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility, 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for at least 1000 Members on first come first served basis. However, the said restriction on account of first come first served principle shall not be applicable on large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.

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- 18.** Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID, No. of shares, PAN, mobile number at [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com) on or before 11:59 P.M. Saturday, June 15, 2024. Only those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
- 19.** The Board of Directors have appointed Mr. Aashish K Bhatt (Certificate of Practice No: 7023) Designated Partner of M/s Bhatt & Associates Company Secretaries LLP as the Scrutiniser to scrutinize the remote e-voting process and tab-voting through electronic voting system at the AGM in a fair and transparent manner.
- 20.** The Scrutiniser will, after the conclusion of e-voting at the AGM, scrutinise the votes cast at the AGM and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same and declare voting results (consolidated) within two working days from the conclusion of the AGM. The voting results along with the consolidated Scrutiniser's Report, will be placed on the website of the Company ([www.homefirstindia.com](http://www.homefirstindia.com)) and the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the declaration of result by the Chairman and in his absence, any Director/officer of the Company authorised by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited. It shall also be displayed on the Notice Board at the Registered Office of the Company.
- 21.** The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts.
- 22.** Members are requested to notify the change in address if any, with pin code numbers immediately to the RTA i.e. Kfin Technologies Limited, Selenium Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Hyderabad, Telegana- 500 0032. Tel No: +91 40- 6716 2222, Website: [www.kfintech.com](http://www.kfintech.com).
- 23.** Non-Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their Bank account maintained in India with complete name, branch account type, account number and address of Bank with pin code number, if not furnished earlier. Members may contact their respective Depository Participants for availing this facility.
- 24.** Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the AGM Notice by e-mail and holds shares as on the cut-off date i.e. on Thursday, June 13, 2024, may obtain the User ID and password by sending a request to e-mail address [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting his/her vote. In the case of forgot password, the same can be reset by using "Forgot User Details/Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 25.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Matre, Sr. Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's e-mail address [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com).

# Notice of the Annual General Meeting

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, June 16, 2024 at 09:00 A.M. (IST) and ends on Wednesday, June 19, 2024 at 05:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e Thursday, June 13, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, June 13, 2024.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on "<b>Access to e-voting</b>" to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is</p>

# Notice of the Annual General Meeting

Type of shareholders	Login Method
	<p>launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> 
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing myeasi username &amp; password.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the <b>e-Voting service provider i.e. NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. <u>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option</u></li> <li>4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat</li> </ol>

# Notice of the Annual General Meeting

Type of shareholders	Login Method
	Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login Type	Helpdesk Detail
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no: 1800 22 55 33

## B) Login Method for shareholders other than Individual shareholders holding securities in demat mode.

### How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below :

# Notice of the Annual General Meeting

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

7. If you are unable to retrieve or have not

received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number, your PAN, your name and your registered address etc.
- c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

# Notice of the Annual General Meeting

2. Select "**EVEN - 128657**" of Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution(s), you will not be allowed to modify your vote.

## General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aashish@aashishbhatt.in](mailto:aashish@aashishbhatt.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for

Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Matre, Sr. Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS AGM NOTICE:

1. For shares held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** above i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
2. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

## Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "**VC/OAVM**" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be

# Notice of the Annual General Meeting

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available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the AGM Notice to avoid last minute rush.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
3. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

# Notice of the Annual General Meeting

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE "ACT")

The following Explanatory Statement, pursuant to Section 102 of the Act, sets out all material facts relating to the business mentioned in the accompanying AGM Notice dated May 29, 2024:

### Item No. 4

The Members of the Company are informed that pursuant to RBI Notification No. RBI/2021-22/25 dated April 27, 2021 pertaining to Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI ("**RBI Guidelines**"), Regulated Entities are required to appoint the SCAs/SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Further, such audit firm would not be eligible for re-appointment in the same entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

The Members of the Company at its 12<sup>th</sup> Annual General Meeting held on August 5, 2021 had appointed M/s. Deloitte Haskins and Sells ("**Deloitte**"), Chartered Accountants (ICAI registration number: 117365W) as the Statutory Auditors of the Company to hold office for a term of 3 years from the conclusion of that Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the year 2024, Accordingly, Deloitte will complete their present term of continuous period of 3 years on conclusion of this AGM.

The Board of Directors of the Company ("**Board**") at its meeting held on May 8, 2024, considering the various factors such as industry experience, expertise and competency and independence of the audit firm and due to completion of term of Deloitte i.e. current auditor of the Company, on the basis of recommendation of the Audit Committee, proposed to the Members of the Company, the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Statutory Auditors of the Company for a period of three consecutive years commencing from the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in year 2024 until the conclusion of the 18<sup>th</sup> Annual General Meeting to be held in the year 2027.

## Brief Profile/credentials of M/s. B S R & Co. LLP:

M/s. B S R & Co. ("**the firm**") was constituted on March 27, 1990 as a partnership firm having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai- 400063. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Gandhinagar and Kochi. M/s. B S R & Co. LLP has over 4000 staff, 140+ Partners. M/s. B S R & Co. LLP audits various companies listed on stock exchanges in India including Housing Finance Companies in the Financial Services Sector.

M/s. B S R & Co. LLP, Chartered Accountants has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act. They have also confirmed that they meet the criteria for independence, eligibility and qualification for appointment and has provided their Eligibility letter as prescribed in Sections 139 and 141 of the Act and the RBI Guidelines.

The proposed remuneration to be paid to M/s. B S R & Co. LLP, Chartered Accountants for the FY25 is ₹75 Lakhs (Rupees Seventy Five Lakhs only) for Limited Review and Statutory Audit). The said remuneration excludes certifications, tax audits and other items, applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board based on the recommendation of the Audit Committee and as mutually agreed by the Auditors. The Company does not consider any material change in the proposed remuneration to be paid new auditor as compared to outgoing auditor.

The Board recommends the Ordinary Resolution for appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company including payment of audit fees to them as set out at Item No. 4 of this AGM Notice, for the approval of the Members.

# Notice of the Annual General Meeting

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution as set out at Item no. 4 of this AGM Notice.

## Item No. 5:

Mr. Deepak Satwalekar (DIN: 00009627) was appointed as Non-Executive, Independent Director of the Company in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "**Act**") to hold office for a period of 5 years commencing from October 23, 2019 vide resolution passed by the Members at the Extra-Ordinary General Meeting held on October 30, 2019. He was further elected as the Chairperson of the Company in the meeting of Board of Directors ("**Board**") held on November 18, 2019. His first term of five consecutive years as an Independent Director shall expire on October 22, 2024. In accordance with Section 149(10) and 149(11) of the Act, an Independent Director shall hold office for a term up to five years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such re-appointment in the Directors' Report.

The Nomination and Remuneration Committee after taking into account the report of the performance evaluation and considering the meritorious services and significant contribution made by Mr. Deepak Satwalekar (DIN: 00009627) in the Company, recommended the re-appointment of Mr. Deepak Satwalekar (DIN: 00009627), as Chairman and Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from October 23, 2024 to the Board, which was duly approved by the Board, subject to approval of the Members of the Company. Accordingly, it is proposed to seek approval of the Members by way of a Special Resolution.

Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Company is required to obtain a Special Resolution for continuation of tenure of any non-executive director who has attained the age of seventy-five years. Accordingly, Mr. Deepak Satwalekar (DIN: 00009627), who had attained the age of seventy-five years on November 14, 2023, the shareholders had approved his continuation of tenure till October 23,

2024 on 14<sup>th</sup> AGM of the Company held on June 08, 2023. Now, consequent to his re-appointment, it is also proposed to seek approval of the Members by way of a Special Resolution for the continuation of tenure for his re-appointment after attaining the age of seventy five years for a second term of five consecutive years commencing from October 23, 2024.

Mr. Deepak Satwalekar (DIN: 00009627) has confirmed that he is not disqualified from being appointed as Director under Section 164 of the Act and that he satisfies the criteria of 'fit and proper' as prescribed by the Reserve Bank of India vide Master Direction- Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Direction, 2021, as amended from time to time and has given his declaration in this regard. Mr. Deepak Satwalekar (DIN: 00009627) has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority and pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies, and have given his consent in writing to act as Director of the Company as required under the Act and the rules made thereunder.

The Company has also received necessary declarations from Mr. Deepak Satwalekar (DIN: 00009627) confirming that he continues meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. The Company has received a notice in writing pursuant to Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Deepak Satwalekar for the office of Independent Director of the Company. Further, he is registered with the Indian Institute of Corporate Affairs as per Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014 and in the opinion of the Board, he is a person of integrity and possesses relevant expertise and experience and continues to fulfil the conditions as specified in the Act and the Rules framed thereunder and the Listing Regulations for appointment as Independent Directors and he is independent of the Management. A copy of the draft letter for appointment of Mr. Deepak as an Independent Non-Executive Director setting out the terms and conditions would be available for electronic inspection without any fee by the members on any working day up to the date of AGM.

# Notice of the Annual General Meeting

Pursuant to the Ordinary Resolution passed by the Members in their extra-ordinary general meeting held on November 19, 2020, the Board of the Company are authorized to make the payment of remuneration by way of commission to any one or more Non-Executive Directors (including Independent Directors) of the Company, both present and future provided that the total remuneration payable by way of commission to them during any financial year shall not exceed one percent of the net profits of the Company for that financial year computed in the manner prescribed under Section 198 of the Companies, Act, 2013, in addition to ₹1 lakh paid as sitting fees per meeting under Section 197(5) of the Act and other reimbursement of expenses for attending meetings of the Board or Committees thereof, in such manner, as the Board may, from time to time, determine.

Mr. Deepak Satwalekar (DIN: 00009627) may be eligible for remuneration by way of commission which will be based on their performance and evaluation conducted by the Board which is subsequently linked to the performance and profit of the Company subject to the limit as stipulated by the Shareholders.

#### **Brief profile of Mr. Deepak Satwalekar (DIN: 00009627):**

Mr. Deepak Satwalekar holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington D.C. He was the Managing Director of HDFC Ltd. (India's first specialized provider of housing finance and now the largest) till 2000, and thereafter the Managing Director and CEO of HDFC Life Insurance Company Limited (Formerly known as HDFC Standard Life Insurance Company Limited) from 2000 to 2008, the first private sector life insurance company registered in India after 1956. He has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT). He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. Mr. Satwalekar holds a total experience of more than 4 decades.

Information as required under 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) is annexed to this AGM Notice.

After taking into consideration the recommendation of Nomination & Remuneration Committee and based on the skills, experience, knowledge, and report of performance evaluation of Mr. Deepak Satwalekar, the Board of the Directors recommends the resolution set out at Item No. 5 of the accompanying AGM Notice for your approval as a Special Resolution.

Mr. Deepak Satwalekar, being appointee is interested and his relatives may be deemed to be interested in the said resolution.

Except as stated above, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested (financially or otherwise) in the resolution set out at Item No. 5 of the AGM Notice.

#### **Item Nos. 6 and 7:**

At the 14<sup>th</sup> Annual General Meeting of the Company held on June 8, 2023, the Members in terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 ("**Act**"), had granted their approval by way of a Special Resolution to the Board of Directors ("**Board**"), to borrow from time to time, such amounts as they may deem necessary for the purpose of business of the Company, not exceeding ₹10,000 Crs (Rupees Ten Thousand Crores only) over and above the then paid-up share capital and free reserves of the Company (reserves not set apart for any specific purpose) and in terms of provisions of Section 180(1)(a) of the Act, to mortgage and/or create a charge on any of the moveable and/or immoveable properties and/or the whole or any part of undertaking(s) of the Company to secure its borrowings up to the limits of Section 180(1)(c) of the Act.

In terms of provisions of Section 180(1)(c) of the Act, the Board cannot, except with the consent of the Members in a general meeting, by means of a Special Resolution, borrow money(ies) where the money to be borrowed, together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up share capital, free reserves and securities premium.

As at Mar'24, the outstanding borrowings of the Company stood at ₹7,302 Crs (Rupees Seven Thousand Three Hundred Two Crores only).

# Notice of the Annual General Meeting

In contemplation of business expansion and in order to fulfil the loan disbursements in the future, the Board may have to resort to multiple financing alternatives, the amount of which is expected to exceed the approved existing borrowing limit of ₹ 10,000 Crores (Rupees Ten Thousand Crores only). Taking into account the increased fund requirements, as well as the enabling provisions of Section 180(1)(c) of the Act, the approval of the Members for Item No. 6 of the AGM Notice is being sought by means of a Special Resolution, as the borrowing limit of ₹ 15,000 Crore (Rupees Fifteen Thousand Crores only).

In accordance to above, the said borrowings by way of loan or issue of securities may be required to be secured by way of charge through lien / hypothecation / mortgage over all or any part of the movable and / or immovable asset of the Company and as per the provisions of Section 180(1)(a) of the Act, the mortgage or charge on all or any part of the movable and / or immovable asset of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the Members of the Company is required by way of a Special Resolution as set out at Item No. 7 of the AGM Notice.

As per Section 180(1)(a) and 180(1)(c) and other applicable provisions of the Act, approval of the Members is being sought by way of passing a Special Resolutions. Hence, the Board recommends passing of the enabling Special Resolutions set out at Item Nos. 6 and 7 of the AGM Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way, concerned or interested (financially or otherwise) in the resolutions set out at Item Nos. 6 and 7 of the accompanying AGM Notice.

#### Item No. 8:

The Nomination and Remuneration Committee ("**Committee**" or "**NRC**") formulated and introduced the 'Home First Finance Company India Limited - Employee Stock Option Scheme 2024' ("**HomeFirst**

**ESOP Scheme 2024**") for the benefit of the eligible employees as defined under the HomeFirst ESOP Scheme 2024, which was duly approved by the Board of Directors at their Meeting held on May 8, 2024. The HomeFirst ESOP Scheme 2024 shall be adopted and implemented, subject to the approval of the members of the Company by a Special Resolution.

The objective of the HomeFirst ESOP Scheme 2024 is to provide eligible employees an opportunity to participate in Company's success and to promote the culture of employee ownership and provide them an opportunity to take part in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention. The HomeFirst ESOP Scheme 2024 shall be administered by the NRC and/or the Board of the Company.

Under the HomeFirst ESOP Scheme 2024, the Company would grant upto ₹ 26,55,485 (Twenty Six Lakhs Fifty-Five Thousand Four Hundred Eighty-Five only) stock options, in one or more tranches to eligible employees which shall be convertible into equal number of equity shares, being 3% (three percent) of the paid-up equity share capital of the Company as on March 31, 2024. The Stock options will be granted in the next 3-4 years.

In terms of Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2024 ("**SEBI SBEB Regulations**"), for issue of equity shares to the employees of the Company, the approval of the existing members by way of a Special Resolution is required.

The resolution contained at Item no. 8 seek to obtain the members' approval to authorize the NRC and/or the Board to create, grant, issue, offer and allot shares or cash, from time to time, to the employees of the Company under the HomeFirst ESOP Scheme 2024 and undertake such action as may be necessary for the administration of the options.

For reference the details of stock options that are still available to grant under the previous employee stock option schemes as on date of notice is as under:

Particulars	ESOP 2012	ESOP II	ESOP 2021
Ungranted number of options	-	-	3,20,367

# Notice of the Annual General Meeting

The salient features and other details of the HomeFirst ESOP Scheme 2024 as required under Regulation 6 (2) of the SEBI SBEB Regulations are given as below:

No.	Heading	Detail
(a)	Brief description of the Scheme	<p>In view of the aforesaid background, the Homefirst ESOP Scheme 2024 contemplates grant of options to eligible employees of the Company</p> <p>The eligible employees shall be granted stock options as determined by the NRC, which will vest on particular dates and shall be exercisable into fully paid-up equity shares of the Company, on the terms and conditions as provided under the Plan and in accordance with the provisions of the applicable laws and regulations for the time being in force.</p> <p>After vesting of options, the eligible employees earn a right but not an obligation to exercise the vested stock options within the exercise period. The Company shall issue shares upon exercise of vested stock options subject to payment of exercise price and satisfaction of consequential tax obligations.</p> <p>The Nomination and Remuneration Committee ("<b>Committee</b>") of the Company shall act as the Compensation Committee for the supervision of Scheme and shall administer the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee as per terms of the Scheme.</p> <p>The Homefirst ESOP Scheme 2024 has the following objectives:</p> <ul style="list-style-type: none"> <li>(i) to achieve sustained growth of the Company and create shareholder value by aligning the interests of the employees with the long-term interests of the Company;</li> <li>(ii) to attract and retain talent and as well as to motivate the employees to contribute to its growth and profitability;</li> <li>(iii) to recognize and reward the efforts of employees and their continued association with the Company and other group companies; and</li> <li>(iv) to promote the culture of employee ownership, to enable the employees to have greater involvement in the existing plans of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation and retention.</li> </ul>
(b)	The total number of options to be offered and granted: the total number of options, SARs, shares or benefits, as the case may be, to be offered and granted;	<p>The aggregate number of options that shall be granted under the Homefirst ESOP Scheme 2024, shall not exceed 26,55,485 (Twenty Six Lakhs Fifty-Five Thousand Four Hundred Eighty-Five Only) equity shares which shall be convertible into equal number of equity shares, being 3% (three percent) of the paid-up equity share capital of the Company as on March 31, 2024. The proposed options are contemplated to be granted to the employees over a period of 3 to 4 years.</p> <p>Further, the maximum number of options that can be granted and the shares arising upon exercise of these options shall stand adjusted in case of corporate action.</p>

# Notice of the Annual General Meeting

No.	Heading	Detail
(c)	Identification of classes of employees entitled to participate and be beneficiaries in the Scheme.	<p>Following classes of employees are entitled to participate in Homefirst ESOP Scheme 2024:</p> <ul style="list-style-type: none"> <li>(I) an employee as designated by the Company, who is exclusively working in India or outside India; or</li> <li>(II) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director (unless permitted otherwise under Applicable Law); or</li> <li>(III) an employee as defined in sub-clauses (I) or (II) above, of a Group company including Subsidiary or its Associate Company, in India or outside India, or of a Holding company of the Company, but does not include—               <ul style="list-style-type: none"> <li>(1) an employee who is a Promoter or belongs to the Promoter Group;</li> <li>(2) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.</li> </ul> </li> </ul> <p>The eligible employees to whom the options would be granted and their eligibility criteria would be determined by the NRC.</p>
(d)	Requirements of vesting and period of vesting	<p>Subject to the minimum vesting period of 1 year, the options granted under the Homefirst ESOP Scheme 2024 shall vest over a period of 3 years from the grant date or as may be determined by the NRC from time to time, in accordance with applicable laws.</p> <p>Vesting of options shall be subject to, amongst other things:</p> <ul style="list-style-type: none"> <li>(i) a minimum of 1 year has completed from date of grant except in case of death or permanent incapacity of the Grantee, and</li> <li>(ii) the employee is (a) in continuous employment with the Company (b) is not serving any notice of resignation/ termination on the date of such vesting (except in the case of death or permanent incapacity suffered by the employee or in the event of retirement or superannuation); and (c) is not subject to any pending disciplinary proceeding.</li> </ul>
(e)	The maximum period (subject to Regulation 18 (1) and 24 (1) of SEBI SBEB & SE Regulations, as the case may be) within which the options/ SARs/ benefits shall be vested	The options granted under the Homefirst ESOP Scheme 2024 shall vest over a period of 3 years from the grant date or as may be determined by the NRC from time to time, in accordance with applicable laws.
(f)	Exercise price, SAR price, purchase price or pricing formula	<p>The Exercise Price of each ESOP shall be lower of</p> <ul style="list-style-type: none"> <li>(a) the average of the monthly lowest closing Market Price of the equity shares of the Company of each of the 6 (Six) calendar months immediately prior to the month in which grant is made.</li> </ul>

# Notice of the Annual General Meeting

No.	Heading	Detail
		<p>However, the price as set above is limited to a variance of 10% to the closing Market Price on the date immediately prior to the Grant date.</p> <p>(b) the closing Market Price of the equity shares of the Company on the date immediately prior to the Grant date.</p> <p><b>Note-</b> The price shall be considered of the equity shares of the Company of the recognized stock exchange having highest trading volume on which the Equity Shares of the Company are listed.</p>
(g)	Exercise period/ offer period and process of exercise/ acceptance of offer	<p>The exercise period shall be 4 years from the date of vesting, in one or multiple tranches.</p> <p>The eligible employee who has been granted options by the Company, on completion of the vesting period shall submit an exercise application to the Company for the allotment of equity shares pursuant to the vested options, accompanied with:</p> <p>(i) Payment of amount equivalent to the exercise price with respect to the equity shares being allotted along with applicable taxes;</p> <p>(ii) Such other documentation as may be specified by the Nomination and Remuneration Committee to confirm the extinguishment of rights with respect to the options then exercised.</p> <p>In the event of separation, options will be exercised as defined in the Homefirst ESOP Scheme 2024 in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("<b>SEBI SBEB &amp; SE Regulations</b>").</p> <p>The detailed terms and conditions of exercise period is mentioned in the Homefirst ESOP Scheme 2024</p>
(h)	The appraisal process for determining the eligibility of employees for the Scheme(s)	<p>The appraisal process for determining the eligibility of the employees will be specified by the Nomination and Remuneration Committee, and will be based on criteria such as role/level of the employee, past performance record, future potential of the employee, balance number of years of service until normal retirement age and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion</p>
(i)	Maximum number of options, SARs, shares, as the case may be, to be offered and issued per employee and in aggregate, if any	<p>The maximum number of options that can be granted per employee under the Homefirst ESOP Scheme 2024 shall not exceed 1% (one percent) of the paid-up equity share capital of the Company as on March 31, 2024 of the adoption of the Homefirst ESOP Scheme 2024, which shall be 8,85,160 equity shares.</p> <p>The aggregate number of options that shall be granted under the Homefirst ESOP Scheme 2024, shall not be exceed 26,55,485 (Twenty Six Lakhs Fifty-Five Thousand Four Hundred Eighty-Five only) equity shares which shall be convertible into equal number of equity shares, being 3% (three percent) of the paid-up equity share capital of the Company as on March 31, 2024.</p>

# Notice of the Annual General Meeting

No.	Heading	Detail
(j)	Maximum quantum of benefits to be provided per employee under a Scheme (s)	Unless otherwise determined by the NRC, the maximum quantum of benefits underlying the equity shares allotted to the employees on exercise of the vested options will be the difference in the exercise price and the market price of the equity shares.
(k)	Whether the Scheme(s) is to be implemented and administered directly by the company or through a trust	The Homefirst ESOP Scheme 2024 shall be administered directly by the Company through Nomination and Remuneration Committee
(l)	Whether the Scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both	The Homefirst ESOP Scheme 2024 contemplates an issuance of new shares by the Company
(m)	The amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.	Not applicable as Homefirst ESOP Scheme 2024 will be administered by the Company directly and not through a trust.
(n)	Maximum percentage of secondary acquisition (subject to limits specified under the SEBI SBEB & SE Regulations) that can be made by the trust for the purposes of the Scheme(s)	Not applicable as Homefirst ESOP Scheme 2024 will be administered by the Company directly and not through a trust.
(o)	Statement to the effect that the company shall conform to the accounting policies specified in Regulation 15	The Company shall comply with the requirements including the disclosures requirements of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including any Guidance Note on Accounting for employee share based payment issued in that regard, from time to time.
(p)	The method which the Company shall use to value its options	<p>The Homefirst ESOP Scheme 2024 contemplates new issue of equity shares by the Company and such valuation of options shall be based on the applicable law and will make necessary disclosures as may be required in this regard.</p> <p>The Company shall adopt fair value method by using Black-Scholes options pricing formula for determining the value of an option granted under Homefirst ESOP Scheme 2024</p>

# Notice of the Annual General Meeting

No.	Heading	Detail
(q)	<p>the following statement, if applicable:</p> <p>In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("<b>EPS</b>") of the company shall also be disclosed in the Directors' report';</p>	Not Applicable
(r)	Period of lock- in	The equity shares allotted upon exercise of stock option under the Homefirst ESOP Scheme 2024 shall not be subject to any lock in period.
(s)	Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB & SE Regulations	<p>The shares issued pursuant to exercise of options shall be subject to an approved scheme of buy-back by the Company in accordance with the law and the procedure will be pursuant to the following terms and conditions:</p> <ul style="list-style-type: none"> <li>(a) permissible sources of financing for buy-back;</li> <li>(b) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and</li> <li>(c) limits upon quantum of specified securities that the Company may buy-back in a financial year.</li> </ul>

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As HomeFirst ESOP Scheme 2024 would require issue of further Equity Shares, pursuant to Regulation 6(1) of the SEBI SBEB & SE Regulations and Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a Special Resolution. The issue of the said equity shares would be well within the Authorised Share Capital of the Company.

A draft copy of the HomeFirst ESOP Scheme 2024 is available for electronic inspection by the members on any working day up to the date of AGM.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way (or may be deemed to be) concerned or interested financially or otherwise, in the resolution set out at Item No. 8 of the AGM Notice except to the extent of the stock options which may be granted to them under HomeFirst ESOP Scheme 2024 and to the extent of their Shareholding in the Company.

The Board thereby recommends passing of the resolution as set out under Item No. 8 of the AGM Notice for approval of the members as Special Resolution.

**By order of the Board of Directors,  
For Home First Finance Company India Limited  
sd/-  
Shreyans Bachhawat  
Company Secretary  
Membership No A26700  
Date: May 29, 2024  
Place: Mumbai**

**Registered & Corporate Office Address:**  
511, Acme Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai-400059.  
CIN: L65990MH2010PLC240703  
Tel: 022 6694 0386  
**E-mail:** [corporate@homefirstindia.com](mailto:corporate@homefirstindia.com)  
**Website:** [www.homefirstindia.com](http://www.homefirstindia.com)

# Notice of the Annual General Meeting

## ANNEXURE A

Information as required under 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) for Item Nos. 3 and 5 is given hereunder

Sr. No.	Particulars	Detail	
1.	Name of Director	Mr. Deepak Satwalekar	Mr. Narendra Ostawal
2.	Date of Birth	November 14, 1948	November 13, 1977
3.	DIN	00009627	06530414
4.	Age	75 years	47 years
5.	Brief resume, experience, and qualifications	<p>Mr. Deepak Satwalekar holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington D.C.</p> <p>He was the Managing Director of HDFC Ltd. (India's first specialized provider of housing finance and now the largest) till 2000, and thereafter the Managing Director and CEO of HDFC Life Insurance Company Limited (Formerly known as HDFC Standard Life Insurance Company Limited) from 2000 to 2008, the first private sector life insurance company registered in India after 1956.</p> <p>He has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT).</p> <p>He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. Mr. Satwalekar holds a total experience of more than 4 decades.</p>	<p>Mr. Narendra Ostawal holds a Chartered Accountancy degree from The Institute of Chartered Accountants of India and PGDM from Indian Institute of Management, Bangalore. He is associated with Warburg Pincus India Private Limited since 2007 where he currently holds the position of Managing Director and leads the Warburg Pincus' investment advisory activities in India. Prior to joining Warburg Pincus India Private Limited, he was associated with 3i India and McKinsey &amp; Company. Mr. Narendra Ostawal is also on the boards of Avanse Financial Services Limited, Carmel Point Investments India Private Limited, Fusion Micro Finance Limited, IndiaFirst Life Insurance Company Limited, Vistaar Financial Services Private Limited and Micro Life Sciences Private Limited. He is an expert in finance, accountancy, audit, economics, corporate governance, legal &amp; regulatory compliance, risk management and strategic thinking.</p>

# Notice of the Annual General Meeting

Sr. No.	Particulars	Detail																									
6.	Nature of expertise in specific functional areas	Industry Experience, Financial Expertise, Strategy and Decision making, ALM and Risk Management, Corporate Governance, Consumer Behavior, Legal and compliance, Information technology and cyber security.	Industry Experience, Financial Expertise, Strategy and Decision making, ALM and Risk Management and Corporate Governance.																								
7.	Terms and conditions of appointment/re-appointment	<p>Mr. Deepak Satwalekar is proposed to be re-appointed as Chairman and Non-Executive Independent Director, not liable to retire by rotation, for a second term of five consecutive years commencing from October 23, 2024.</p> <p>The terms and condition of re-appointment shall be as per Appointment Letter and in accordance with the provisions of Companies Act, 2013.</p> <p>Draft of the appointment letter is displayed on the website of the Company on the below link: <a href="#">Draft Appointment Letter</a>.</p>	<p>Mr. Narendra Ostawal is proposed to be re-appointed as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting of the Company.</p> <p>The terms and condition of re-appointment shall be as per Appointment Letter and in accordance with the provisions of Companies Act, 2013.</p>																								
8.	Remuneration proposed to be paid	In addition to the sitting fees, he shall be entitled to remuneration by way of commission that is to be determined by the Board based on the performance of the Company and his performance evaluation report.	Nil																								
9.	Date of first appointment on Board, last drawn remuneration and number of board meetings attended	<p>Mr. Deepak Satwalekar is associated with the Company as an Independent Director since October 23, 2019.</p> <p>Last Drawn remuneration (in ₹) -</p> <table border="1"> <thead> <tr> <th></th> <th>Sitting Fees</th> <th>Commission</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY24</td> <td>5,00,000</td> <td>26,62,000</td> <td>31,62,000</td> </tr> <tr> <td>FY23</td> <td>4,00,000</td> <td>24,20,000</td> <td>28,20,000</td> </tr> <tr> <td>FY22</td> <td>6,00,000</td> <td>22,00,000</td> <td>28,00,000</td> </tr> <tr> <td>FY21</td> <td>10,00,000</td> <td>10,00,000</td> <td>20,00,000</td> </tr> <tr> <td>FY20</td> <td>3,00,000</td> <td>15,00,000</td> <td>18,00,000</td> </tr> </tbody> </table> <p>During FY24, there were 4 board meetings held and Mr. Deepak Satwalekar attended all the Board meetings.</p>		Sitting Fees	Commission	Total	FY24	5,00,000	26,62,000	31,62,000	FY23	4,00,000	24,20,000	28,20,000	FY22	6,00,000	22,00,000	28,00,000	FY21	10,00,000	10,00,000	20,00,000	FY20	3,00,000	15,00,000	18,00,000	<p>Mr. Narendra Ostawal was appointed as Nominee Director on the Board on October 15, 2020.</p> <p>Last drawn remuneration is Nil.</p> <p>During FY24, there were 4 board meetings held and Mr. Narendra Ostawal attended all the Board meetings.</p>
	Sitting Fees	Commission	Total																								
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# Notice of the Annual General Meeting

Sr. No.	Particulars	Detail	
10.	Relationships with other directors and Key Managerial Personnel inter-se	None	None
11.	Directorship or Membership/ Chairmanship held in other Companies Boards.	<b>Directorship in other Companies:</b> a. Wipro Limited (Listed entity) b. Germinait Solutions Private Limited	<b>Directorship in other Companies:</b> a. Fusion Micro Finance Limited (Listed entity) b. Indiafirst Life Insurance Company Limited c. Avanse Financial Services Limited d. Warburg Pincus India Private Limited e. Carmel Point Investments India Private limited f. Vistaar Financial Services Private Limited g. Micro Life Sciences Private Limited
12.	The Membership/ Chairmanship of Committees of the board of Directors of the Company / other Companies	<b>Membership/Chairmanship held in Other Companies</b>  <b>Wipro Limited -</b> 1. Audit Committee - Chairman 2. Stakeholders Relationship Committee - Chairman 3. Risk Management Committee - Chairman 4. Nomination and remuneration committee - Member 5. Corporate Social Responsibility Committee - Member	<b>Membership/Chairmanship held in Other Companies</b>  <b>Fusion Micro Finance Limited</b> 1. Board Risk Management Committee - Member 2. Nomination & Remuneration Committee - Member  <b>IndiaFirst Life Insurance Company Limited</b> 1. Risk Management Committee - Chairman 2. Allotment Committee - Chairman 3. Investment Committee - Member 4. Policyholders Protection Committee - Member 5. Corporate Social Responsibility Committee - Member 6. Nomination and Remuneration Committee - Member  <b>Warburg Pincus India Private Limited-</b> 1. Corporate Social Responsibility Committee - Member

# Notice of the Annual General Meeting

			<p><b>Avanse Financial Services Limited</b></p> <ol style="list-style-type: none"> <li>1. Risk Management Committee - Member</li> <li>2. Corporate Social Responsibility Committee - Member</li> <li>3. Nomination, Remuneration and Compensation Committee - Member</li> <li>4. IT Strategy Committee - Member</li> <li>5. IPO Committee - Member</li> </ol> <p><b>Vistaar Financial Services Private Limited</b></p> <ol style="list-style-type: none"> <li>1. Nomination and Remuneration Committee - Member</li> </ol>
13.	Listed entities from which the person has resigned in the past three years.	<ol style="list-style-type: none"> <li>a. Asian Paints Limited</li> <li>b. Piramal Capital &amp; Housing Finance Limited</li> <li>c. Piramal Enterprises Limited</li> </ol>	<ol style="list-style-type: none"> <li>a. Capital First Limited</li> <li>b. Computer Age Management Services Limited</li> </ol>
14.	No. of Equity shares held in the Company (Including Shareholding as a beneficial owner) (As on March 31, 2024).	Nil	Nil
15.	In case of re-appointment of Independent Directors, performance evaluation report of such Director or summary thereof shall be included in the explanatory statement.	Mr. Satwalekar scored 4.97 out of score of 5 in the performance evaluation of chairperson of the Board.	Not Applicable
16.	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	As per the resolution at Item No. 5 of this AGM Notice, read with the explanatory statement thereto.	Not Applicable