

Date- 28-10-2021

To,
The National Stock Exchange of India Limited,
The Listing Department,
Bandra Kurla Complex,
Mumbai- 400 051.

Scrip Symbol- **HOMEFIRST**

Sub: Clarification on corporate announcement dated October 25, 2021 sought from the Company

Ref: NSE Email dated 26-10-2021

Dear Sir/Madam,

This is with reference to your email dated October 26, 2021 seeking our clarifications in relation to an announcement made by the Company on October 25, 2021 with subject line “Outcome of Board Meeting”. We are submitting pointwise reply as under:

Sr No	Clarification sought	Response
1.	Whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable):	Home First Finance Company India Limited Employee Stock Option Scheme, 2021 (“Homefirst ESOP Scheme 2021”) is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“ SEBI SBEB Regulations ”) wherein the Company has complied with all the requirements prescribed in the Regulations.
2.	Total number of shares covered by these options:	The maximum number of options granted to eligible employees under the Homefirst ESOP Scheme 2021 shall not exceed 19,69,283 and each option on exercise shall entitle the employee 1 (one) equity share of the Company.
3.	Pricing formula:	The exercise price shall be latest available closing price on a recognized stock exchange (BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which the Company’s shares are listed or are proposed to be listed) on the date immediately prior to the date on which the grant of the options is to be made. If the shares of the Company are listed on more than one recognized stock exchange, then the closing price on the stock exchange having the higher trading volume shall be considered as the market price which will be the exercise price.
4.	Brief details of significant terms:	Attached as Annexure A

For Home First Finance Company India Limited

**SHREYANS
BACHHAWAT**

Shreyans Bachhawat

Company Secretary and Compliance Officer

ACS NO: 26700

Digitally signed by SHREYANS BACHHAWAT
DN: cn=SH, postalCode=700007, o=WEST BENGAL, c=Personal,
serialNumber=fda20153e73f5e87dabaa79d6eeea7a1cd4ad6bbaad8b8e9514892
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0e07810, email=SHREYANS.BACHHAWAT@HOMEFIRSTINDIA.COM, cn=SHREYANS
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Date: 2021.10.28 18:29:38 +05'30'

Annexure A

The salient features and other details of the Homefirst ESOP Scheme 2021 as required pursuant to Regulation 6(2) of the SEBI SBEB Regulations are as under:

No.	Heading	Detail
(a).	Brief description of the Homefirst ESOP Scheme 2021	The Homefirst ESOP Scheme 2021 has the following objectives: - 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; - to attract and retain talent and as well as to motivate the employees to contribute to its growth and profitability; - to recognize and reward the efforts of employees and their continued association with the Company and other group companies; and - 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.
(b).	The total number of shares to be offered and granted:	The aggregate number of options that shall be granted under the Homefirst ESOP Scheme 2021, shall not be exceed 19,69,283 (Nineteen Lakhs Sixty-Nine Thousand Two Hundred Eighty-Three Only) equity shares which shall be convertible into equal number of equity shares, being 2.25% (two-point two five percent) of the paid-up equity share capital of the Company as on the date of the adoption of the Homefirst ESOP Scheme 2021. The proposed options are contemplated to be granted to the employees over a period of 3-4 years. 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.
(c).	Identification of classes of employees entitled to participate and be beneficiaries.	Present and future employees and directors of the Company, as may be determined by the Nomination and Remuneration Committee. (excluding (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company)

(d).	Requirements of vesting and period of vesting	Subject to the minimum vesting period of 1 (one) year, the options granted under Homefirst ESOP Scheme 2021 shall vest over a period between 3 (three) to 4 (four) years from the date of grant, in equal proportions, as in line with the ESOP policy or as may be determined by the NRC from time to time, in accordance with applicable laws. Vesting of options shall be subject to, amongst other things: a minimum of 1 (one) year has completed from date of grant except in case of death or permanent incapacity of the employee, and the employee is (a) 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 (b) is not subject to any pending disciplinary proceeding.
(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 2021 shall vest within maximum period of 4 (four) 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	The exercise price shall be latest available closing price on a recognized stock exchange (BSE Limited, National Stock Exchange of India Limited or any other stock exchange in India on which the Company's shares are listed or are proposed to be listed) on the date immediately prior to the date on which the grant of the options is to be made. If the shares of the Company are listed on more than one recognized stock exchange, then the closing price on the stock exchange having the higher trading volume shall be considered as the market price which will be the exercise price.
(g).	Exercise period/ offer period and process of exercise/ acceptance of offer	The exercise period shall be 3 (three) years from the date of vesting, in one or multiple tranches. 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: Payment of equivalent amount of exercise price with respect to the equity shares being allotted along with applicable taxes; 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.
(h).	The appraisal process for determining the eligibility of employees for the Homefirst ESOP Scheme 2021	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.
(i).	Maximum number of shares to be offered and issued per employee and in aggregate, if any	The maximum number of options that can be granted per employee under the Homefirst ESOP Scheme 2021 shall not exceed 0.5% (zero-point five percent) of the paid-up equity share capital of the Company as on the date of the adoption of the Homefirst ESOP Scheme 2021, which shall be 4,37,619 equity shares. The aggregate number of options that shall be granted under the Homefirst ESOP Scheme 2021, shall not be exceed 19,69,283 (Nineteen Lakhs Sixty-Nine Thousand Two Hundred Eighty-Three Only) equity shares which shall be convertible into equal number of equity shares, being 2.25% (two-point two five percent) of the paid-up equity share capital of the Company as on the date of the adoption of the Homefirst ESOP Scheme 2021.
(j).	Maximum quantum of benefits to be provided per employee under a Homefirst ESOP Scheme 2021	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 Homefirst ESOP Scheme 2021 is to be implemented and administered directly by the company or through a trust	The Homefirst ESOP Scheme 2021 shall be administered directly by the Company through the NRC.
(l).	Whether the Homefirst ESOP Scheme 2021 involves new issue of shares by the Company or secondary acquisition by the trust or both	The Homefirst ESOP Scheme 2021 contemplates an issuance of new shares by the Company.
(m).	The amount of loan to be provided for implementation of the Homefirst ESOP Scheme 2021 by the Company to the trust, its tenure, utilization, repayment terms, etc.	Not applicable as Homefirst ESOP Scheme 2021 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	Not applicable as Homefirst ESOP Scheme 2021 will be administered by the Company directly and not through a trust.

	purposes of the Homefirst ESOP Scheme 2021	
(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	The Homefirst ESOP Scheme 2021 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. 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 2021
(q).	Period of lock- in	The Shares issued under the Homefirst ESOP Scheme 2021 shall not have a lock in period.
(r).	Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB & SE Regulations.	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: permissible sources of financing for buy-back; any minimum financial thresholds to be maintained by the Company as per its latest financial statements; and limits upon quantum of specified securities that the Company may buy-back in a financial year