

HFFCIL/BSE/NSE/EQ/48/2021-22

Date: July 30, 2021

To,

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| BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001. BSE Scrip Code: 543259 | National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400051 NSE Scrip Symbol: HOMEFIRST |
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Dear Sir/ Madam,

Subject: Additional information with respect to the notice dated July 7, 2021 for the 12th annual general meeting of the Company scheduled to be held on August 5, 2021 (“AGM Notice”).

With reference to the captioned matter, the Company is furnishing following additional information in relation to Items Nos. 2, 4 and 5 set out in the AGM Notice, for the kind attention of the members of the Company:

1. Item 2: Appointment of Statutory Auditor

As set out in the AGM Notice, there is no material change in fees payable to the new auditor vis-à-vis the outgoing auditor. The proposed fees payable to Statutory Auditor for the financial year 2022 for conducting the Statutory Audit is INR 24 Lakhs and for Limited review is INR 10 Lakhs (excluding taxes and out of pocket expenses). Also, certifications and other works will be charged extra basis the work performed.

2. Items 4 & 5: Ratification of (i) ESOP 2012 Scheme; and (ii) ESOP II Scheme pursuant to SEBI (Share Based Employee Benefit) Regulations, 2014

ESOP 2012 and ESOP II were in place before the initial public offer of the Company (“IPO”). All details in relation thereto were fully disclosed in the red herring prospectus dated January 16, 2021 and the prospectus dated January 27, 2021, filed with the Registrar of Companies, Maharashtra at Mumbai, the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are listed. Under the ESOP 2012 scheme, out of the 29,08,180 options reserved, all the options have been granted and no further grants are proposed to be made under the ESOP 2012. Under the ESOP II scheme, 2,06,588 options remain ungranted as of June 30, 2021.

As required by Regulation 12(1) of SEBI (Share Based Employee Benefit) Regulations, 2014, approval is sought from the existing shareholders post the listing of securities of the Company on the exchanges, for ratification of the ESOP schemes in place to enable the Company to make any fresh grants.

Please note that for the options issued prior to the IPO, the exercise price of ESOPs were always fixed by the Board at a price, at the time of grant, equal to or higher than the fair market value of

the shares, on the basis of a valuation report by independent valuation experts. We further clarify that the Company has never issued any grant below the fair market value in the past.

Further, for any options granted when the share of the Company are listed, our policy explicitly states that the Exercise Price shall be the closing price on the recognized stock exchange with the highest trading volume as on the day prior to the date of grant. In this regard, please see below the extracts of the ESOP II Policy of the Company:

“7.1 Exercise Price

The Exercise Price shall be such price as determined by the Board and Nomination and Remuneration Committee from time to time based on the Fair Market Value and in the best interest of the various stakeholders in the prevailing market conditions and subject to Applicable Law. If the Shares are Listed at the time of Exercise of the Options, the Exercise Price shall be the closing price on the recognized stock exchange with the highest trading volume as on the day prior to the date of Grant.”

Therefore, as mentioned in the explanatory statement appended to the AGM Notice, the exercise price for options granted under the respective ESOP policies shall be in accordance with the respective policies. In this regard, while under ESOP 2012, all options have already been granted prior to the IPO with an exercise price being at or above the fair market value as of the date of the grant, under ESOP II, any options granted post the IPO are required to be exercised at the closing price on the recognized stock exchange with the highest trading volume as on the day prior to the date of grant.

The above information is to be read in conjunction with the AGM Notice. All other contents of the AGM Notice shall remain unchanged.

Please disseminate the above additional information to the public and take it on record.

Thanking you,

For **HOME FIRST FINANCE COMPANY INDIA LIMITED**

Shreyans Bachhawat
Company Secretary and Compliance Officer
ACS No. 26700