

DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2024:

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2012) including the 'Guidance note on accounting for employee share-based payments:

The disclosure is provided in Notes 37 to the Audited Financial Statements of the Home First Finance Company India Limited ('the Company') for the year ended March 31, 2024.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Rs. 33.67 per share

C. Details related to Employee Stock Option Schemes (ESOS) of the Company

Employee Stock Option Plan 2012 ('ESOP 2012')

i.	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:-					
Particulars	<u>ESOP 2012</u>					
a.	Date of shareholders' approval	Board Approval- March 14, 2012 Amendments/Ratification- September 7,2017 November 22, 2019 and March 18, 2020. Date of ratification post IPO- August 5, 2021				
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
b.	Total number of options approved under ESOS	2,908,180 options				
c.	Vesting Requirement	Vesting over 4 years as per ESOP 2012 policy				
d.	Exercise Price or Pricing Formula (Rs.)	47.83	47.83	56.23	56.23	56.23
e.	Maximum time of Options granted	Ten (10) years from the date of each vesting				
f.	Source of shares	Primary				
g.	Variations in terms of options	Nil				
ii.	Method used to account for ESOS - Intrinsic or fair value:	Fair Value Method determined based on Black - Scholes - Merton formula.				
iii.	Where the Company opts for expensing the options using the intrinsic value of the Options:	Not applicable				
a.	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 of the options shall be disclosed.					
b.	The impact of this difference on profits and on EPS of the Company					

iv.	Option movement during the year (For each ESOS)					
	Number of options outstanding at the beginning of the Period	-	-	1,19,000	2,15,000	27,000
	Number of options granted during the year	-	-	-	-	-
	Number of options forfeited/lapsed during the year	-	-	-	-	-
	Number of options vested during the year	-	-	-	-	-
	Number of options exercised during the year	-	-	80,000	1,15,000	14,500
	Number of shares arising as a result of exercise of options	-	-	80,000	1,15,000	14,500
	Money realized by exercise of options (Rs.)	-	-	44,98,080	64,65,990	8,15,277
	Number of options outstanding at the end of the year	-	-	39,000	1,00,000	12,500
	Number of Options exercisable at the end of the year	-	-	39,000	1,00,000	12,500
v.	Weighted-average exercise prices and weighted-average fair values of option					
a.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.					
	Exercise price equals market price on the date of grant					
	Fair Value of options granted (Rs.)	1st year-8.80	1st year-8.40	1st year-5.80	1st year-9.60	1st year-9.20
		2nd year-13.00	2nd year-12.60	2nd year-10.20	2nd year-14.40	2nd year-13.80
		3rd year-16.60	3rd year-16.00	3rd year-14.00	3rd year-18.20	3rd year-17.80
		4th year-19.60	4th year-19.00	4th year-17.40	4th year-21.60	4th year-21.00
	Exercise Price (Rs.)	47.83	47.83	56.23	56.23	56.23
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted:-					
a.	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	No options have been granted by the Company during the year.				
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year					
c.	Identified employee who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant					

vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:-	
a.	the weighted-average values of share price (in Rs)	No options have been granted by the Company during the year.
	exercise price:(In Rs)	
	expected volatility	
	expected option life	
	Expected dividend	
	the risk-free interest rate	
	any other inputs to model	
b.	the method used and the assumptions made to incorporate the effects of expected early exercise;	
c.	how expected volatility was determined, including an explanation to the extent to which expected volatility was based on historical volatility;	
d.	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as market condition	

Employee Stock Option Scheme II ('ESOP II')

i.	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:-					
	Particulars	ESOP II				
a.	Date of shareholders' approval	Date of Institution of Scheme- February 28, 2018. Date of amendments – June 12, 2019, November 22, 2019, March 18, 2020 and October 15, 2020 Date of ratification post IPO- August 5, 2021				
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
b.	Total number of options approved under ESOS	4,125,290 options				
c.	Vesting Requirement	Vesting over 6 years as per ESOP II policy				
d.	Exercise Price or Pricing Formula (Rs.)	117.24	117.24	139.30	223.20	334.73
e.	Maximum time of Options granted	Ten (10) years from the date of each vesting				
f.	Source of shares	Primary				
g.	Variations in terms of options	The Scheme was amended on October 15, 2020 pursuant to the Share Subscription and Purchase Agreement dated October 1, 2020 entered by the Company.				
ii.	Method used to account for ESOS - Intrinsic or fair value:	Fair Value Method determined based on Black - Scholes - Merton formula.				

iii.	Where the Company opts for expensing the options using the intrinsic value of the Options:					
a.	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 of the options shall be disclosed.	Not applicable				
b.	The impact of this difference on profits and on EPS of the Company					
iv.	Option movement during the year (For each ESOS)					
	Number of options outstanding at the beginning of the Period	16,96,330	96,589	10,77,865	13,895	1,28,015
	Number of options granted during the year	-	-	-	-	-
	Number of options forfeited/lapsed during the year	-	1,535	24,467	3,737	7,715
	Number of options vested during the year	2,40,941	49,979	2,15,664	2,167	22,185
	Number of options exercised during the year	1,13,304	25,157	1,41,181	2,613	5,240
	Number of shares arising as a result of exercise of options	1,13,304	25,157	1,41,181	2,613	5,240
	Money realizes by exercise of options (Rs.)	1,32,83,988	29,49,414	1,96,65,951	5,83,222	17,53,958
	Number of options outstanding at the end of the year	15,83,026	69,897	9,12,217	7,545	1,15,060
	Number of Options exercisable at the end of the year	15,83,026	39,762	5,58,702	3,463	55,770
v.	Weighted-average exercise prices and weighted-average fair values of option					
a.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.					
	Exercise price equals market price on the date of grant					
	Fair Value of options granted (Rs.)	1st year- 17.60	1st year- 17.80	1st year- 21.40	1st year- 27.00	1st year- 55.88
		2nd year- 26.60	2nd year- 27.40	2nd year- 32.40	2nd year- 38.80	2nd year- 72.09
		3rd year- 34.20	3rd year- 35.40	3rd year- 41.40	3rd year- 50.40	3rd year- 85.42
		4th year- 41.00	4th year- 42.60	4th year- 49.60	4th year- 61.80	4th year- 99.63
		5th year- 47.00	5th year- 48.80	5th year- 56.60	5th year- 74.40	5th year- 114.22
		6th year- 52.00	6th year- 54.40	6th year- 63.60	6th year- 84.40	6th year- 131.13
	Exercise Price (Rs.)	117.24	117.24	139.30	223.20	334.73

vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted:-	
a.	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	No options have been granted by the Company during the year.
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	
c.	Identified employee who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:-	
a.	the weighted-average values of share price (in Rs)	No options have been granted by the Company during the year.
	exercise price:(In Rs)	
	expected volatility	
	expected option life	
	Expected dividend	
	the risk-free interest rate	
	any other inputs to model	
b.	the method used and the assumptions made to incorporate the effects of expected early exercise;	
c.	how expected volatility was determined, including an explanation to the extent to which expected volatility was based on historical volatility;	
d.	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as market condition	

Homefirst ESOP Scheme 2021 ('ESOP 2021')

i.	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:-					
	Particulars	ESOP 2021				
a.	Date of shareholders' approval	November 26, 2021				
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
b.	Total number of options approved under ESOS	1,969,283 options				
c.	Vesting Requirement	Vesting over 3 to 4 years as per ESOP 2021 policy				
d.	Exercise Price or Pricing Formula (Rs.)	851.10	771.30	730.00	706.20	692.65
e.	Maximum time of Options granted	Three (3) years from the date of each vesting				
f.	Source of shares	Primary				
g.	Variations in terms of options	Nil				
ii.	Method used to account for ESOS - Intrinsic or fair value:	Fair Value Method determined based on Black - Scholes - Merton formula.				
iii.	Where the Company opts for expensing the options using the intrinsic value of the Options:	Not applicable				
a.	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 of the options shall be disclosed.					
b.	The impact of this difference on profits and on EPS of the Company					
iv.	Option movement during the year (For each ESOS)					
	Number of options outstanding at the beginning of the Period	8,13,500	92,900	7,000	-	-
	Number of options granted during the year	-	-	-	7,86,882	65,000
	Number of options forfeited/lapsed during the year	78,700	20,978	-	84,700	13,500
	Number of options vested during the year	2,56,096	26,994	-	-	-
	Number of options exercised during the year	660	1,745	-	-	-
	Number of shares arising as a result of exercise of options	660	1,745	-	-	-
	Money realizes by exercise of options (Rs.)	5,61,726	13,45,918	-	-	-
	Number of options outstanding at the end of the year	7,34,140	70,177	7,000	7,02,182	51,500

	Number of Options exercisable at the end of the year	2,41,279	24,952	-	-	-
v.	Weighted-average exercise prices and weighted-average fair values of option					
a.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.					
	Exercise price equals market price on the date of grant					
	Fair Value of options granted (Rs.)	1st year-209.46	1st year-195.84	1st year-208.40	1st year-213.62	1st year-208.80
		2nd year-253.73	2nd year-225.47	2nd year-244.51	2nd year-266.10	2nd year-256.09
		3rd year-289.84	3rd year-265.30	3rd year-281.09	3rd year-302.71	3rd year-292.51
		4th year-329.76	NA	NA	NA	NA
	Exercise Price (Rs.)	851.10	771.30	730.00	706.20	692.65
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted:-					
a.	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	No options have been granted by the Company during the year.			Nil	Nil
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year				The details of employees that has been granted options in one year amounting to 5% or more of the total granted options during the year is available for inspection at the registered office of the Company. Alternatively, the same can be obtained by writing to the Company Secretary at corporate@homefirstindia.com	
c.	Identified employee who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant				Nil	Nil

vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:-			
a.	the weighted-average values of share price (Rs)	No options have been granted by the Company during the year.	706.20	692.65
	exercise price:(Rs)		706.20	692.65
	expected volatility		38.10% to 40.66%	38.00% to 40.47%
	expected option life		Options life (vesting period plus exercise period) ranges from 2.5 to 4.4 years	Options life (vesting period plus exercise period) ranges from 2.5 to 4.4 years
	Expected dividend		Nil	Nil
	the risk-free interest rate		1st year- 6.81% 2nd year- 6.86% 3rd year- 6.92%	1st year- 6.76% 2nd year- 6.79% 3rd year- 6.83%
	any other inputs to model		Nil	Nil
b.	the method used and the assumptions made to incorporate the effects of expected early exercise;	No options have been granted by the Company during the year.	Expected average life is modelled on the average exercise tenor of the options under the respective schemes / grants which is the best estimate of the Management of the Company.	
c.	how expected volatility was determined, including an explanation to the extent to which expected volatility was based on historical volatility;		Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black - Scholes Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Expected volatility of the option is based on	

			historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares and similar companies listed on the Stock exchange.
d.	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as market condition		The fair value is calculated using Black Scholes Option pricing model

Disclosures in respect of grants made in three years prior to IPO under each ESOS

Disclosures made in Point C above, covers all the details of ESOS schemes required to be disclosed in respect of grants made in three years prior to IPO, including the general terms and conditions of each ESOS.

- D. Details related to ESPS:** Nil / Not applicable
- E. Details related to SAR:** Nil / Not applicable
- F. Details related to GEBS / RBS:** Nil / Not applicable
- G. Details related to Trust:** Nil / Not applicable