



HDFC LIFE INSURANCE COMPANY LIMITED

CIN: L65110MH2000PLC128245

Registered Office: 13th Floor, Lodha Excelus, Apollo Mills Compound,

N M Joshi Marg, Mahalaxmi, Mumbai - 400 011

Tel: 022 6751 6666, Fax: 022 6751 6861

Email: investor.service@hdfclife.com, Website: www.hdfclife.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given that pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and any other applicable laws, rules, regulations, guidelines, notifications, circulars and clarifications issued by the Ministry of Corporate Affairs and any other regulatory authorities, from time to time, approval of the members of HDFC Life Insurance Company Limited ("Company") through postal ballot via remote e-voting is being sought in respect of the resolutions set out hereinafter.

The proposed resolutions and explanatory statement pursuant to Section 102 of the Companies Act, 2013 read with the rules framed thereunder, setting out all material facts related thereto are appended below.

SPECIAL BUSINESS

1. **ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED, PROMOTER OF THE COMPANY AND MATTERS RELATED THEREWITH**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to (i) the applicable provisions of Sections 23(1)(b), 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable rules and regulations made thereunder (including any amendments, modifications and/ or re-enactments thereof for the time being in force) (hereinafter referred to as the "Act"), (ii) the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendments, modifications or re-enactments thereof for the time being in force) ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, modifications or re-enactments thereof for the time being in force) (“SEBI Listing Regulations”), (iii) the uniform listing agreements in terms of the SEBI Listing Regulations entered into by the Company with BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (BSE and NSE together, the “Stock Exchanges”) on which the equity shares of the Company are listed, (iv) recommendation/ approval of the Audit Committee and the Board of Directors of the Company; (v) in accordance with provisions of the Memorandum and Articles of Association of the Company, as amended, and (vi) any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, the Ministry of Corporate Affairs (“MCA”), the Securities and Exchange Board of India (“SEBI”), the Insurance Regulatory and Development Authority of India (“IRDAI”) or any other statutory or regulatory authority, in each case to the extent applicable and including any amendments, modifications or re-enactments thereof for the time being in force, and subject to such other approvals, permissions, sanctions and consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be) imposed by any other regulatory authorities and which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), the consent and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot 3,57,94,824 (Three crore fifty seven lakh ninety four thousand eight hundred and twenty four) fully paid-up equity shares of face value of Rs. 10/- (Rupees ten only) each, in one or more tranches, at a price of Rs. 558.74 (Rupees five hundred fifty eight and seventy four paise only) per equity share (“Equity Shares”) aggregating to an amount not exceeding Rs. 2,000 crore (Rupees two thousand crore only), not being less than the price determined in accordance with the provisions of Chapter V of SEBI ICDR Regulations, to Housing Development Finance Corporation Limited (“HDFC Ltd./ Proposed Allottee”), one of the promoters of the Company in the manner stated herein below, for cash consideration on a preferential basis (“Preferential Issue”) as per the particulars set out below and on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws, rules and regulations:

Sr. No.	Name of the Proposed Allottee	Details of the Proposed Allottee	No. and price of equity shares proposed to be issued and allotted
1.	Housing Development Finance Corporation Limited	Indian company listed on National Stock Exchange of India Limited and BSE Ltd. <u>Country of Incorporation:</u> India <u>Registered Office:</u> Ramon House, H.T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai – 400 020	3,57,94,824 equity shares of a face value of Rs 10/- (Rupee ten only) each at a price of Rs. 558.74 per share

“RESOLVED FURTHER THAT the Equity Shares shall be fully paid-up and listed on the Stock Exchanges bearing ISIN - INE795G01014 and rank pari passu with the then existing Equity Shares of the Company in all aspects from the date of allotment (including with respect to entitlement to dividend and voting powers, other than any statutory lock-in under the SEBI ICDR Regulations), and shall be subject to the requirements of all applicable laws and the provisions of the Memorandum of Association and Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Equity Shares being offered, issued and allotted to the Proposed Allottee by way of a Preferential Allotment shall inter-alia be subject to the following:

- (a) The Equity Shares shall be issued and allotted by the Company to the Proposed Allottee in dematerialised form within a period of 15 (fifteen) days from the later of: (i) date of passing of this special resolution; or (ii) receipt of last of the approvals required for such issue and allotment by applicable regulatory authorities (including but not limited to the in-principle approval of the Stock Exchanges for the issuance of the Equity Shares to the Proposed Allottee on a preferential basis), or such other extended period as may be permitted in accordance with SEBI ICDR Regulations, as amended from time to time;
- (b) The “Relevant Date” as per the Chapter V of the SEBI ICDR Regulations, for determination of floor price of the Equity Shares shall be July 29, 2022;
- (c) The Equity Shares shall be subject to lock-in for such period as specified under Chapter V of the SEBI ICDR Regulations;
- (d) No partly paid-up Equity Shares shall be issued/ allotted;
- (e) Allotment of Equity Shares shall only be made in dematerialised form;
- (f) The Equity Shares so offered, issued and allotted will be listed on the Stock Exchanges, subject to the receipt of necessary regulatory permissions and approvals as the case may be;
- (g) The Equity Shares so offered, issued and allotted shall not exceed the number of Shares as approved hereinabove; and
- (h) Without prejudice to the generality of the above, the issue of the Equity Shares shall be subject to the terms and conditions as contained in the explanatory statement under Section 102 of the Act, annexed hereto, which shall be deemed to form part hereof.”

“RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable laws, consent of the members of the Company be and is hereby accorded to record the name and details of the Proposed Allottee in Form PAS-5, and issue a private placement offer cum application letter in Form PAS-4, to the Proposed Allottee inviting them to subscribe to the Equity Shares in accordance with the provisions of the Act.”

“RESOLVED FURTHER THAT the Board / Committee of the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient or desirable for such purpose and for the purpose of giving effect to the foregoing resolution, including without limitation (i) to vary, modify or alter any of the relevant terms and conditions, attached to the Equity Shares to be allotted to the Proposed Allottee for effecting any modifications, changes, variations, alterations, additions and/or deletions to the Preferential Issue as may be required by any regulatory or other authorities or agencies involved in or concerned with the issue of the Equity Shares, (ii) making applications to the Stock Exchanges for obtaining in-principle approvals, (iii) listing of shares, filing requisite documents with MCA and other regulatory authorities, (iv) filing of requisite documents with the depositories, (v) to resolve and settle any questions and difficulties that may arise in the preferential offer, (vi) issue and allotment of the Shares, and (vii) to take all other steps which may be incidental, consequential, relevant or ancillary in relation to the foregoing without being required to seek any further consent or approval of the members of the Company, and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and the decision of the Board / Committee of the Board in relation to the foregoing shall be final and conclusive and all actions taken by the Board in connection with any matter(s) referred to contemplated in any of the foregoing resolution(s) be and are hereby approved, ratified and confirmed in all respects.”

2. APPROVAL OF EMPLOYEE STOCK OPTION SCHEME – 2022

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other circulars/ notifications/ guidance/ FAQs issued thereunder, as amended from time to time (hereinafter referred as “SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines issued by the Insurance Regulatory and Development Authority of India read with the provisions of the Insurance Act, 1938, the Memorandum and the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to the introduction of ‘HDFC Life Employee Stock Option Scheme - 2022’ (“ESOS 2022”) authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee of the Board, which the Board has constituted to exercise its powers, including the powers conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations) to create, issue and grant not exceeding 1,50,29,359 (One crore fifty lakh twenty nine thousand and three hundred and fifty nine) employee stock options (“Options”), in one or more tranches, from time to time, to such person(s) who are in the employment or service of the Company or any of its subsidiary(ies) on exclusive basis, whether in or outside India, including any Director, whether whole-time or not (other than employees/ directors who are promoters or belonging to the promoter group, independent directors and Directors holding directly or indirectly more than ten (10%) percent of the outstanding equity shares of the Company), subject to their eligibility as may be determined under ESOP 2022, which upon exercise shall not exceed in aggregate 1,50,29,359 (One crore fifty lakh twenty nine thousand and three hundred and fifty nine) fully paid-up equity shares (“Shares”) of face value of Rs.10/- (Rupees ten only) each, where one Option upon exercise shall convert in to one Equity Share subject to payment/ recovery of requisite exercise price and applicable taxes, on such terms, condition and in such manner as the Board/ Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2022.”

“RESOLVED FURTHER THAT the Equity Shares as specified hereinabove shall be issued and allotted to the Option grantees upon exercise of Options in accordance with the terms of the grant and provisions of the ESOS 2022 and such Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as right issue, bonus issue, change in capital structure, or other re-organization, the ceiling aforesaid in terms of number of Equity Shares reserved under the ESOS 2022 shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SEBI SBEB Regulations and such adjusted number of Equity Shares shall be deemed to be the ceiling as originally approved.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Shares to be allotted and to the extent allowed exercise price payable by the Option grantees under the ESOS 2022 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- (Rupees ten only) each bears to the revised face value of the Equity Shares of the Company after such consolidation or sub-division, without affecting any other rights or obligations of the said Option grantees.”

“RESOLVED FURTHER THAT the Board / Committee be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under the ESOS 2022 on the National Stock Exchange of India Limited and BSE Limited in due compliance with SEBI SBEB Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOS 2022.”

“RESOLVED FURTHER THAT the Board / Committee be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOS 2022 subject to consent of the members by way of a special resolution to the extent required under the applicable laws including the SEBI SBEB Regulations and to do all such acts, deeds, matters and things in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2022 and do all other things incidental and ancillary thereof.”

3. APPROVAL OF EMPLOYEE STOCK OPTION SCHEME – 2022 FOR THE ELIGIBLE EMPLOYEES OF THE SUBSIDIARY COMPANY (IES) OF THE COMPANY

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other circulars/ notifications/ guidance/ FAQs issued thereunder, as amended from time to time (hereinafter referred as “SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines issued by the Insurance Regulatory and Development Authority of India read with the provisions of the Insurance Act, 1938, the Memorandum and the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to approval of the ‘HDFC Life Employee Stock Option Scheme - 2022’ (“ESOS 2022” or “Scheme”) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which

term shall be deemed to include any Committee, including the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations) to create, issue and grant such number of employee stock options (“Options”) under the ESOS 2022, in one or more tranches, from time to time, to such person(s) who are in the employment or service on exclusive basis with any existing or future subsidiary(ies) of the Company, in India or outside India, including any director thereof, whether whole-time or otherwise (other than employees/directors who are promoters or belonging to the promoter group, independent directors and directors holding directly or indirectly more than ten percent of the outstanding equity shares of the Company), within the overall and individual limits of the ESOS 2022 as amended from time to time, where one Option upon exercise shall entitle the Option grantee to one fully paid-up equity share (“Share”) of face value of Rs. 10/- (Rupees ten only) each of the Company, on such terms and in such manner as the Board/ Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2022.”

By Order of the Board of Directors

Sd/-

**Narendra Gangan
General Counsel, Chief Compliance Officer
& Company Secretary
ACS 11770**

Place: Mumbai

Date: July 29, 2022

Registered Office:

13th Floor, Lodha Excelus, Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi, Mumbai – 400 011

Notes:

1. A statement pursuant to Section 102 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, setting out the material facts for the proposed resolution, is appended herein below and forms part of the Notice.
2. In view of the ongoing pandemic and the extant provisions of MCA circulars, the Company would be sending this postal ballot notice only through e-mail to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories as on Friday, July 22, 2022 (the cut-off date) who have registered their e-mail addresses with the Depository Participant (DP)/ Registrar and Share Transfer Agent. The hard copy of this notice along with postal ballot forms and pre-paid business envelope will not be sent to the members. Accordingly, the communication of the assent or dissent of the members would take place through remote e-voting only.
3. The postal ballot notice is hosted on the Company's website i.e. www.hdfclife.com and also on the website of the stock exchanges viz., www.nseindia.com and www.bseindia.com. The relevant details are also hosted on the website of the remote e-voting service provider viz., KFin Technologies Limited (Formerly KFin Technologies Private Limited) ("KFintech") at <https://evoting.kfintech.com>.
4. The Board of Directors of the Company (the "Board") has appointed Mr. Makarand M. Joshi and in his absence Mrs. Kumudini Bhalerao, Partners of M/s. Makarand M. Joshi & Co., Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot and remote e-voting process in a fair and transparent manner.
5. In case of joint holders, a member whose name appears as the first holder in the order of their names as per the Register of Members will be entitled to cast vote.
6. Members holding shares in physical form are requested to note that in terms of Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of the above and in order to eliminate risks associated with physical transfer of securities, members holding Equity Shares of the Company in physical form are requested to consider converting their holdings to dematerialized form.

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to KFin Technologies Limited (Formerly KFin Technologies Private Limited) ("KFintech") in Form ISR-1, in case shares are held by them in physical form.

7. As per the provisions of Section 72 of the Act, the facility for registration of nomination is available for the members in respect of the shares held by them. Further, member who desires to opt out/ cancel the nomination and record a fresh nomination, are requested to submit Form ISR-3 (in case of shares are held in physical form) or SH-14 (in case of shares are held in electronic mode).
8. SEBI has mandated listed companies to issue securities in dematerialized form only, while processing service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities

certificate; consolidation of securities certificates / folios; and transmission and transposition. In this regards, members are requested to make request in Form ISR – 4. It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. To support 'Green Initiative', the shareholders who have not registered their email-id are requested to register the same with their DPs in case shares are held in dematerialised form and with KFintech in case shares are held in physical form, which could help the Company for sending paperless communication in future. The Company has also made available an email-id registration facility to its members through KFintech, for the purpose of receiving all the communications including notice of meetings and Annual Report, etc. in electronic mode. Members are requested to access the given link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> to register their email address.
10. The documents referred to in this notice are available electronically for inspection by the members at the Registered Officer of the Company during business hours except Saturday, Sunday and National Holidays from the date hereof up to the date of announcement of results of postal ballot. Members seeking to inspect such documents can send an email to investor.service@hdfclife.com.
11. The voting rights of the members shall be in proportion to their shareholding in the Company as on the cut-off date for e-voting i.e. Friday, July 22, 2022.
12. Resolutions passed by the members through postal ballot, are deemed to have been passed as if they have been passed at a general meeting of the members.

13. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9:00 a.m. (IST) on Sunday, July 31, 2022
End of remote e-voting	Upto 5:00 p.m. (IST) on Monday, August 29, 2022

14. The resolution, if passed by the requisite majority shall be deemed to have been passed on Monday, August 29, 2022 i.e., the last date specified for receipt of votes through the remote e-voting process.
15. In order to increase the efficiency of the e-voting process, SEBI vide its circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020, had decided to enable e-voting to all the demat account holders by way of a single login credential through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Therefore, to support the above initiative undertaken by SEBI, members are requested to intimate/ update changes, if any, pertaining to their email address & mobile numbers with the respective Depositories/ Depository Participants.

Members holding shares in physical form and who want to avail the above initiatives of SEBI are requested to convert their physical holdings into Demat form. Members can contact KFintech for any assistance in this regard.

Instructions for e-voting

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

INFORMATION AND INSTRUCTIONS FOR E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE

Type of shareholders	Login method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2. After successful login, the Easi/ Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period. Additionally, there are also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat 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.
Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on the Company's name or e-voting service provider name and you will be re-directed to e-voting service provider

	<p>website for casting your vote during the remote e-voting period.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. 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. Once the home page of e-voting system is 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 the Company’s name or e-voting service provider’s name and you will be redirected to e-voting service provider’s website for casting your vote during the remote e-voting period.</p>
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. After successful login, you will be able to see e-voting option. Once you 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 the Company’s name or e-voting service provider’s name and you will be redirected to e-voting service provider’s website for casting your vote during the remote e-voting period

Important Note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forgot Password option available at above mentioned website.

For technical Assistance:

Members facing any technical issue in login can contact the respective helpdesk by sending a request on the email id’s or contact on the phone no’s provided below:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Email : helpdesk.evoting@cdslindia.com Contact No. : 022- 23058738 / 22-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Email : evoting@nsdl.co.in Toll free no. : 1800 1020 990 / 1800 22 44 30

INSTRUCTIONS FOR INSTITUTIONAL MEMBERS HOLDING SHARES IN DEMAT MODE AND MEMBERS HOLDING SHARES IN PHYSICAL FORM:

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with M/s KFin Technologies Limited for e-voting, you can use your existing User ID and password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (09) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. HDFC Life Insurance Company Ltd.
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/ 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/ or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.
- Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- Corporate/ institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who is/ are authorised to vote, to the Scrutinizer through e-mail at scrutinisers@mmjc.in with a copy marked to evoting@kfintech.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLIENT EVENT No. – 6783'

In case of any query on e-voting, members may refer to the "Help" and "FAQs" sections/ E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given below :

**Ms. Krishna Priya M, Senior Manager - Corporate Registry
KFin Technologies Limited**

(Formerly KFin Technologies Private Limited)

Unit: HDFC Life Insurance Company Limited

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032,

Contact No.: 040-6716 2222 / Toll Free No.: 1-800-3094-001

E-mail: evoting@kfintech.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all the material facts relating to the special businesses mentioned under Item No. 1 to 3 of this notice.

Item No. 1

For over two decades, HDFC Life has been providing life insurance solutions that cater to various needs of individuals - protection, pension, savings, investment, annuity and health – thus covering the three key risks of mortality, morbidity and longevity. The Company's long-stated strategy of balanced product mix, diversified distribution, continuous product innovation and re-imagining insurance through effective use of technology has enabled it to deliver long-term value for all the stakeholders despite the ever-changing external environment.

The Company has proposed raising additional capital to support its future growth objectives and to further augment its capital position. In this regard, Housing Development Finance Corporation Limited ("HDFC Ltd./ Proposed Allottee"), one of the promoters of the Company holding 1,00,99,65,325 (47.79%) Equity Shares as on June 30, 2022, has agreed to infuse funds in the form of equity capital.

In light of the above, based on the recommendation of the Audit Committee vide its resolution dated July 29, 2022, the Board of Directors of the Company ("Board") at its meeting held on July 29, 2022 considered and approved the proposal to offer, issue and allot 3,57,94,824 Equity Shares of face value of Rs. 10/- (Rupees ten only) each ("Equity Shares") in one or more tranches, at a price of Rs. 558.74 per Equity Share which includes a premium of Rs 548.74 per Equity Share ("Issue Price"), for cash consideration, free from all the encumbrances to HDFC Ltd. by way of preferential issue ("Preferential Issue") under (i) the Companies Act, 2013 ("Act") and the relevant rules made thereunder; (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") (iii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time. The aforementioned approval of the Board is subject to approval of the shareholders, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The above issue price per Equity Share has been determined based on consideration of:

- i) valuation report of the shares of the Company dated July 29, 2022 from Ms. Rashmi Shah, Registered Valuer, under the Act ("Registered Valuer Report"); and
- ii) pricing certificate dated July 29, 2022 from M/s. N L Bhatia & Associates, Practicing Company Secretaries, certifying compliance with the floor price for the proposed Preferential Issue of the Company, based on the pricing formula prescribed under Regulation 164 of Chapter V of SEBI ICDR Regulations.

The issue price of the Equity Shares is the higher of the price determined under the Valuation Report of the Registered Valuer and the price of the Equity Shares as calculated in accordance with the provisions of SEBI ICDR Regulations.

The consent of the members is being sought by way of a special resolution to issue Equity Shares on preferential basis to the Proposed Allottee in accordance with the provisions of Sections 23(1)(b), 42 and

62, and other applicable provisions, if any, of the Act, and rules framed thereunder including the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (collectively as “Rules”), SEBI ICDR Regulations, SEBI LODR Regulations and any other applicable laws, circulars, rules, regulations, guidelines, notifications and clarifications issued by Ministry of Corporate Affairs (“MCA”) and other regulatory authorities, from time to time, including with respect to the pricing of the Equity Shares proposed to be issued by way of a Preferential Issue. Further, upon on execution of the transaction the Company will intimate Insurance Regulatory and Development Authority of India regarding the preferential issue.

It is to be noted that the issue of Equity Shares on a preferential basis, subject to compliance of the requirements under the SEBI LODR Regulations is exempted from the definition of “related party transaction” under SEBI LODR Regulations. Therefore, the Preferential Issue is not a ‘related party transaction’ under the provisions of SEBI LODR Regulations and the approval of the shareholders as per the provisions of Regulation 23 of SEBI LODR Regulations is not required.

Necessary information/ details in respect of the proposed preferential allotment in terms of Sections 42 and 62 of the Act, read with the Rules and Chapter V of the SEBI ICDR Regulations are as under:

1. Particulars of the issue of Equity Shares including the material terms of issue, date of passing of Board resolution, kind of securities offered, and the issue price:

Details of the Equity Shares to be issued, price of the Equity Shares, date of approval by the Board in relation to the preferential allotment, and details of the Proposed Allottee are set out in the previous paragraphs.

The Equity Shares shall be fully paid-up and listed on the Stock Exchanges, bearing ISIN - INE795G01014 and rank pari passu with the then existing Equity Shares of the Company in all aspects from the date of allotment (including with respect to entitlement to dividend and voting powers, other than statutory lock-in under the SEBI ICDR Regulations), in accordance with applicable laws, and shall be subject to the requirements of all applicable laws, rules and regulations and to the provisions of the Memorandum of Association and Articles of Association of the Company.

The allotment of Equity Shares to HDFC Ltd. is proposed to be made at a price of Rs. 558.74 each based on the pricing criteria mentioned in Chapter V of SEBI ICDR Regulations, Registered Valuer Report and pricing certificate obtained in terms of SEBI ICDR Regulations.

2. Purpose/ Objects of the Issue:

The proceeds of the Preferential Issue will be utilized to infuse additional funds in the form of further capitalization in order to meet Company’s growth objectives, maintaining solvency ratio and to further strengthen its financial position.

3. Maximum Number of Shares offered, the manner of issue of Shares and the pricing of preferential issue:

The Company proposes to issue upto 3,57,94,824 Equity Shares of the face value of Rs. 10/- (Rupees ten only) each at a price of Rs. 558.74 to the Proposed Allottee by way of Preferential Issue on a private placement basis. Please refer to Para 4 below for the basis for determining the price for the preferential issue.

4. Basis on which the price has been arrived and justification for the price (including premium, if any):

The issue price has been determined based on consideration of:

- i) valuation report of the shares of the Company dated July 29, 2022 from Ms. Rashmi Shah, Registered Valuer, as per the said report price derived is Rs. 558.73 per equity share; and
- ii) pricing certificate dated July 29, 2022 from M/s. N L Bhatia & Associates, Practicing Company Secretaries, certifying compliance with the floor price for the proposed preferential issue of the Company, based on the pricing formula prescribed under Regulation 164 of Chapter V of SEBI ICDR Regulations.

The Equity Shares of the Company are listed and frequently traded on the Stock Exchanges in accordance with SEBI ICDR Regulations.

In terms of Regulation 164 (1) of SEBI ICDR Regulations, the price at which Equity Shares will be allotted shall not be less than higher of the following:

- (a) Volume weighted average price of the equity shares of the Company quoted on the stock exchange, during the 90 trading days preceding the Relevant Date i.e. July 29, 2022, which is Rs. 558.73 per equity share; or
- (b) Volume weighted average price of the equity shares of the Company quoted on the stock exchange, during the 10 trading days preceding the Relevant Date i.e. July 29, 2022, which is Rs. 528.33 per equity share.

The share price on the NSE has been considered for arriving at the floor price of the shares to be allotted under the Preferential Issue, as NSE is the stock exchange with higher trading volumes of the equity shares of the Company for the 90 trading days prior to the Relevant Date.

In view of the above, the issue price of the equity shares to be issued to HDFC Ltd. is Rs. 558.74 per equity share i.e. the higher of the price determined under the Valuation Report of the Registered Valuer and the price of the Equity Shares as calculated in accordance with the provisions of SEBI ICDR Regulations.

Since the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, it is not required to re-compute the price per equity share to be issued and therefore, the Company is not required to submit the undertaking specified under Regulations 163 of the SEBI ICDR Regulations.

5. Price/ price band at/ within which the Equity Shares are proposed to be issued:

The price per Equity Share, to be issued, is fixed at Rs. 558.74 which consists of Rs. 10/- (Rupees ten only) as face value and Rs. 548.74 as premium per Equity Share. Please see paragraph 4 above for the basis of determination of the issue price.

6. Relevant Date:

The "Relevant Date" as per Chapter V of the SEBI ICDR Regulations for the determination of the floor price of Equity Shares to be issued is July 29, 2022. The resolution proposed under this notice is deemed to be passed on August 29, 2022 i.e. Monday which is the last date for remote e-voting.

Relevant date is defined under SEBI ICDR Regulations as the date 30 (thirty) days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. However, where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

The resolution pursuant to this notice is deemed to be passed on August 29, 2022 i.e. Monday. The date 30 (thirty) days prior to August 29, 2022 is July 30, 2022 i.e. Saturday, a weekend. Therefore, pursuant to SEBI ICDR Regulations, for the purpose of this Preferential Issue, the day preceding the weekend i.e. July 29, 2022, will be reckoned to be the relevant date.

7. Shareholding Pattern of the Company before and after the issue:

The pre-issue and post-issue shareholding pattern of the Company (considering full allotment of equity shares issued on preferential basis) is given below:

Category of shareholder	Pre-preferential issue Shareholding		Preferential Issue	Post-Issue Shareholding	
	No. of shares held	% of Shares	No. of shares	No. of shares held	% of Shares
(A) Promoters / Promoter Group's shareholding					
(1) Indian Promoters					
(a) Bodies Corporate	1009965325	47.79	35794824	1045760149	48.66
Subtotal (A) (1)	1009965325	47.79	-	1045760149	48.66
(2) Foreign Promoters					
(a) Bodies Corporate	78694105	3.73	-	78694105	3.67
Sub Total (A) (2)	78694105	3.73	-	78694105	3.67
Total Promoter/ Promoter Group Shareholding (A)=(A)(1)+(A)(2)	1088659430	51.52	-	1124454254	52.33
(B) Public Shareholding					
(1) Institutions					
(a) Mutual Funds	101796300	4.82	-	101796300	4.74
(b) Alternative Investment Fund	5139412	0.24	-	5139412	0.24
(c) Financial Institutions/Banks	1485880	0.07	-	1485880	0.07
(d) Foreign Portfolio Investors	584487694	27.66	-	584487694	27.20
(e) Qualified Institutional Buyer	7187750	0.34	-	7187750	0.33
(f) Insurance Companies	30667115	1.45	-	30667115	1.42
Sub Total (B) (1)	730764151	34.58	-	730764151	34.00
(2) Non Institutions					
(a) Clearing Members	184570	0.01	-	184570	0.01
(b) Bodies Corporate	103670725	4.91	-	103670725	4.82
(c) NBFC	5156658	0.24	-	5156658	0.24
(d) Non Resident Indians	8024801	0.37	-	8024801	0.37
(e) Trusts	792376	0.04	-	792376	0.04
(f) Directors & Relatives	5206616	0.25	-	5206616	0.24
(g) IEPF	1269	0.00	-	1269	0.00
(h) Foreign Nationals	250	0.00	-	250	0.00
(i) Individuals Shareholders					
- Holding nominal share capital up to Rs. 2 Lakh	127380915	6.03	-	127380915	5.93
- Holding nominal share capital in excess of Rs. 2 Lakh	43330823	2.05	-	43330823	2.02
Sub Total (B) (2)	293749003	13.90	-	293749003	13.67
Total Public Shareholding (B)= (B)(1)+(B)(2)	1024513154	48.48	-	1024513154	47.67
(C) Custodians for GDRs and ADRs	0	-	-	0	-
TOTAL (A)+(B)+(C)	2113172584	100.00	35794824	2148967408	100.00

Note:

- 1) The pre-issue shareholding pattern is as on June 30, 2022.
- 2) The post-issue paid-up share capital of the Company is subject to alterations on account of any further allotment of Equity Shares, including upon exercise of options granted under existing ESOP Schemes of the Company, if any, as well as under any new ESOP/ ESPS Schemes and consequently the post-issue shareholding percentage of the Proposed Allottee mentioned above may also stand altered.

8. Amount which the Company intends to raise by way of such securities/ size of the issue:

Issuance of 3,57,94,824 equity shares of the Company having face value of Rs.10/- each, at a price of Rs. 558.74 per equity share not exceeding Rs. 2,000 crore in aggregate.

9. Proposal/ Intention of the Promoters, Directors or Key Managerial Personnel to subscribe the offer; contribution being made by the Promoters or Directors either as part of the preferential allotment or separately in furtherance of the objects:

The Equity Shares are being issued to HDFC Ltd., one of the promoters of the Company. HDFC Ltd. has indicated its intention to subscribe to the preferential issue, subject to offer made by HDFC Life post necessary approvals.

None of the Directors or key managerial personnel of the Company intends to subscribe to any of the Equity Shares proposed to be issued under the Preferential Issue or otherwise contribute to the preferential issue or separately in furtherance of the objects specified herein above.

10. Proposed time frame within which the Preferential Issue shall be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of shares on or before the expiry of 15 (fifteen) days from the date of passing of the special resolution by the members of the Company for issue of Equity Shares, provided that where the issue and allotment of the shares is pending on account of pendency of any approval or permission by any regulatory authority or the Central Government (including but not limited to the in-principle approval of the stock exchanges for the issuance of the Equity Shares to the Proposed Allottee on a preferential basis), the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approvals or permissions.

11. Principal terms of assets charged as securities:

Not applicable.

12. Change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares to HDFC Ltd.

13. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the previous financial year i.e. 2021-22, One (1) preferential allotment of securities was made by the Company and 8,70,22,222 Equity Shares of the Company at a price of Rs. 685 were allotted to Exide Industries Limited on January 1, 2022.

The Company has not made any preferential allotment during the current financial year 2022-2023.

14. Valuation for consideration other than cash:

Not Applicable

15. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable.

16. Lock-in Period:

- (a) The entire pre-preferential shareholding of the proposed Allottee shall be locked-in from the Relevant Date up to a period of 90 trading days from the date of grant of trading approval by the Stock Exchanges, as per the SEBI ICDR Regulations.
- (b) The proposed allotment of Equity Shares shall be subject to lock-in for a period of 18 months from the date of grant of the trading approval by the Stock Exchanges, as per the requirement of SEBI ICDR Regulations.

17. Listing:

The Company will make an application to the stock exchanges at which the existing shares are listed, for listing of the Equity Shares.

18. Class or classes of persons to whom the allotment is proposed to be made and current and post allotment status:

The Preferential Issue, if approved, is proposed to be made to HDFC Ltd., which is a body corporate, listed public limited Company. HDFC Ltd. is one of the promoters of the Company and its status remains the same post the proposed preferential allotment of Equity Shares.

19. Practicing Company Secretary's Certificate:

The certificate from Ms. N L Bhatia & Associates, Practicing Company Secretaries, certifying that the proposed Preferential Issue is in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the members at the registered office of the Company during working hours, during the e-voting period and is also hosted on website of the Company which can be accessed at the link: <https://www.hdfclife.com/about-us/investor-relations>.

20. Report of a registered valuer:

As required by the Articles of Association of the Company, the price of the Equity Shares has been determined taking into account the valuation report of the registered valuer (i.e. valuation report dated July 29, 2022 prepared by Ms. Rashmi Shah, Registered Valuer appointed by the Company).

The name and address of the registered valuer appointed by the Company is as follows:

Ms Rashmi Shah
108, Sujata, Station Road, Malad (East), Mumbai - 400097

21. Other Disclosures:

- (a) The Proposed Allottee has confirmed that it has not sold any Equity Shares of the Company during the period of 90 trading days preceding the Relevant Date. Further, the promoter(s) or

the promoter group has not transferred their respective Equity Shares in the Company during the 90 trading days preceding the Relevant Date.

- (b) The Company is in compliance with the conditions for continuous listing, and is eligible to make the Preferential Issue under Chapter V of the SEBI ICDR Regulations.
- (c) Neither the Company nor any of its Directors or Promoters are categorized as wilful defaulter(s) or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulter(s) issued by the Reserve Bank of India. Consequently, the disclosures required under Regulation 163(1)(i) of the SEBI ICDR Regulations are not applicable.
- (d) Neither the Company nor any of its Directors and/ or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- (e) The Company shall re-compute the price of the relevant securities to be allotted under the preferential allotment in terms of the provisions of SEBI ICDR Regulations if it is required to do so, including pursuant to Regulation 166 of the SEBI ICDR Regulations. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the relevant securities to be allotted under the Preferential Issue shall continue to be locked-in till the time such amount is paid.
- (f) The Company does not have any outstanding dues towards SEBI, the Stock Exchanges or the depositories.
- (g) The Proposed Allottee is a promoter of the Company and will continue to be the promoter of the Company post the Preferential Issues of Equity Shares.

22. Identity of the Proposed Allottee (including natural persons who are the ultimate beneficial owners of Equity Shares proposed to be allotted and/or who ultimately control), class of the Proposed Allottee, the percentage (%) of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue:

Sr. No.	Name and Category (public / promoter) of the Proposed Allottee	Details of the Proposed Allottee (name, address, country of incorporation /residency)	Class or classes of Proposed Allottee	Pre-Issue Shareholding in the Company	No. and price of Equity Shares proposed to be issued and allotted to the Proposed Allottee	Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the Proposed Allottee	Proposed Allottee's post preferential issue capital (Amount and percentage)
1	HDFC Ltd. Category – Promoter	Registered Office : Ramon House, H T Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai – 400 020 Country of Incorporation : India	Body corporate – public listed company	100,99,65,325 (47.79%)	3,57,94,824 Equity Shares of the face value of Rs. 10/- each at a price of Rs. 558.74/- per Equity Share	The Proposed Allottee is a public limited company whose shares are listed on the stock exchanges viz., BSE Ltd. and National Stock Exchange of India Ltd.	104,57,60,149 (48.66%)

The Board, accordingly, recommends the passing of special resolution as set out at Item No. 1 of this notice, for the approval of the members.

Mr. Deepak S Parekh, Mr. Keki M Mistry and Ms. Renu Sud Karnad, being Directors on the Board of the Company as well as on the Board of HDFC Ltd., and their relatives are interested in the above resolution. None of the other Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in HDFC Ltd. and the Company, are concerned/ interested in the above resolution

Item no. 2 and 3

Your Company believes that equity-based compensation plans are effective tools to attract and reward the talents working exclusively with the Company and its subsidiary(ies). With the objective to motivate key employees for their contribution to the corporate growth, to create an employee ownership culture and also to retain the best talent in the competitive environment and to encourage them in aligning individual goals with that of the Company's objectives, your Company intends to implement an employee stock option plan namely 'HDFC Life Employee Stock Option Scheme 2022' ("ESOS 2022") seeking to cover eligible employees of the Company and its subsidiary(ies).

The Nomination & Remuneration Committee ("the Committee") of the Board of Directors of the Company shall grant Options to employees on the basis of eligibility criteria and also determine the quantum of distribution of Options which could vary from employee to employee or any class thereof under ESOS 2022.

As per provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”), the Company seeks your approval for:

- (i) Implementation of the ESOS 2022; and
- (ii) Grant of Options to the eligible employees of the Company / its subsidiary company(ies) as per terms of the ESOS 2022;

Accordingly, the Committee and the Board of Directors the Company (“Board”) at their respective meetings held July 28, 2022 and July 29, 2022 has approved the ESOS 2022, subject to the members approval.

The main features of the ESOS 2022 are as under:

a) Brief description of the ESOS 2022:

The Company proposes to introduce ESOS 2022 primarily with a view to:

- (i) attract, retain and incentivise employees and directors of the Company and its subsidiary(ies)(“Employees”)but excluding an independent director;
- (ii) motivate such employees and directors for performance, higher productivity and sustained corporate growth; and
- (iii) assist in aligning such employee’s and director’s interests with that of the shareholders.

The ESOS 2022 contemplates grant of Options to the eligible Employees as may be determined in due compliance of SEBI SBEB Regulations. After vesting, the eligible Employees earn a right (but not obligation) to exercise the vested Options within the predefined exercise period.

The Committee shall administer the ESOS 2022. All questions of interpretation of the ESOS 2022 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOS 2022.The Company shall issue equity shares upon exercise subject to payment of exercise price and satisfaction of consequential tax obligations.

The liability of paying taxes if any, in respect of the Options granted pursuant to the ESOS 2022 and the equity shares issued pursuant to exercise of Options shall be on the Option grantee and/ or the Company in such cases where the Company decides to pay on behalf of the Option grantee, and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.

The Company shall have the right to deduct from the Option grantee’s salary or recover any of the Option grantee’s tax obligations arising in connection with the transactions in respect of Options or Shares acquired upon the exercise thereof.

b) Total number of options to be granted:

The total number of Options to be granted under ESOS 2022 shall not exceed 1,50,29,359 (One crore fifty lakh twenty nine thousand and three hundred and fifty nine) which upon exercise shall be convertible into not more than 1,50,29,359 (One crore fifty lakh twenty nine thousand and three hundred and fifty nine) equity shares (“Shares”) of the Company of Rs. 10 each fully paid-up.

Further, the SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and to the extent allowed the price of the Options in such a manner that the total value of the Options remains the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the ceiling of Options and shares aforesaid shall be deemed to be modified accordingly.

c) Identification of classes of Employees entitled to participate in ESOS 2022:

Following classes of Employees are entitled to participate in ESOS 2022:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (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; and
- (iii) an employee as defined in sub-clauses (i) and (ii), of subsidiary(ies), in or outside India, of the Company, but does not include:
 - 1) an employee/director who is a promoter or a person belonging to the promoter group; and
 - 2) a director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The coverage and eligibility criteria for grant shall be as under:

Sr. No.	Employee Band/ Designation	Eligibility Criteria
1	MD/ CXO/ T1/ T2	Based on Employees' performance, potential role and criticality for growth of the Company.
2	VP/ SVP	

d) Requirements of vesting and period of vesting:

Options granted would vest not earlier than minimum vesting period of **1 (one) year** but not later than maximum vesting period of **4(four) years** from the date of grant of such Options.

Subject to the terms and performance criteria as the Committee may decide, the following vesting schedule and vesting percentage shall apply to all grants made under the ESOS 2022:

Category A: Employees being on payroll of the Company for more than 12 (Twelve) months as on date of grant:

Dates of Vesting	Percentage of Options to vest
On 1 st anniversary of date of grant	30% of Options granted
On 2 nd anniversary of date of grant	30% of Options granted
On 3 rd anniversary of date of grant	40% of Options granted

Category B: Employees being on payroll of the Company for less than 12 (Twelve) months as on date of grant:

Dates of Vesting	Percentage of Options to vest
On 1 st anniversary of date of grant	NIL
On 2 nd anniversary of date of grant	NIL
On 3 rd anniversary of date of grant	50% of Options granted
On 4 th anniversary of date of grant	50% of Options granted

However, the Committee shall have the power to determine different vesting schedule / percentages in case of new joiners pertaining to Category 'B' depending on criticality of such personnel for the business of the Company, as under:

Dates of Vesting	Percentage of Options to vest
On 1 st anniversary from the date of grant	20% of Options granted
On 2 nd anniversary from the date of grant	30% of Options granted
On 3 rd anniversary from the date of grant	50% of Options granted

In case of death and permanent incapacity of an eligible Employee in employment or service, condition of minimum vesting period of 1 (one) year shall not apply, in which case all the Options granted up to the death or permanent incapacity, as the case may be, shall vest as on date of such event. However, in the event of superannuation, the Options shall vest as per original vesting schedule even after superannuation unless otherwise determined by the Committee as per policy of the Company and SEBI SBEB Regulations.

Options granted would vest essentially on the basis of continuation of employment/ service as on relevant date of vesting as a pre-requisite condition, provided that the eligible Employee is not under any notice of resignation or termination.

Besides continuity of employment/ service, the Committee shall have the power to determine and provide vesting conditions for the vesting of Options. In the event that an eligible Employee is transferred or deputed or resigns to join any subsidiary prior to vesting, the vesting shall continue as per original vesting schedule/ conditions.

e) Maximum period within which the Options shall be vested:

Options granted under ESOS 2022 shall vest not later than a maximum of **4 (four) years** from the date of grant.

f) Exercise price or pricing formula:

The exercise price per Option shall be the latest available closing price of an equity share of the Company on the stock exchange on which the equity shares are listed, on the date immediately prior to the date of the meeting of the Committee at which the Options are granted. As the equity shares of the Company are listed on more than one stock exchange, the latest available closing price on the stock exchange with higher trading volume on the said date shall be considered.

g) Exercise period and the process of exercise:

In case of continuation of employment/ service, vested Options shall be exercised by the Employees within the maximum exercise period of 5(Five) years from the date of vesting of Options, or such other shorter period as may be prescribed by the Committee at time of grant.

The ESOS 2022 envisages shorter exercise periods than that specified above in case of separation from employment/ service on account of specified reasons. In case of termination due to misconduct, there shall not be any exercise period as all the vested Options shall lapse forthwith.

The vested Options, as permitted under the ESOS 2022, shall be exercisable by the Employees by a written application to the Company expressing their desire to exercise such Options in such manner and in such format and in such numbers as may be prescribed by the Committee from time to time. The vested Options shall lapse, if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of Employees under ESOS 2022:

The appraisal process for determining the eligibility of the Employees shall be decided from time to time by the Committee. The eligibility criteria for appraisal and selection of eligible Employees are given in point no. (c) above.

i) Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options that may be granted under ESOS2022 per eligible Employee in aggregate shall not exceed 5,00,000 (Five lakh) Options.

j) Maximum quantum of benefits to be provided per employee under the ESOS 2022:

No benefit other than by way of grant of Options is envisaged under the ESOS 2022.

k) Implementation or administration of the ESOS 2022:

The ESOS 2022 shall be implemented and administered directly by the Company.

l) Source of acquisition of shares under the ESOS 2022:

ESOS 2022 envisages issue of primary shares against exercise of vested Options.

m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present ESOS 2022.

n) Maximum percentage of secondary acquisition:

ESOS 2022 envisages issue of primary shares and there is no contemplation of secondary acquisition.

o) Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for employee share-based payments issued in this regard by the competent authorities as amended from time to time, including the disclosure requirements prescribed therein along with that as required under Regulation 14 of the SEBI SBEB Regulations.

p) Method of Option valuation:

The Company shall adopt 'intrinsic value method' for valuation of Options.

q) Declaration:

So long as the Company opts for expensing of Options using the intrinsic value method, 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 ("EPS") of the Company shall also be disclosed in the Directors' report.

r) **Period of Lock-in:**

The Shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended.

s) **Terms & conditions for buyback, if any, of specified securities covered granted under the ESOS 2022:**

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the ESOS 2022 if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

Consent of the Members is sought under SEBI SBEB Regulations by way of a Special resolution. The resolution and the terms stated therein as also the terms stated in this explanatory statement herein above shall be subject to the guidelines/ regulations issued/to be issued by statutory authorities in that behalf and the Board (the NRC and/or director(s) and/ or officer(s) of the Company, to whom any power may be delegated by the Board in this regard) shall have the sole and absolute authority to modify the terms hereinabove.

A draft copy of ESOS 2022 is available for inspection at the Company's Registered Office / Corporate Office during official hours on all working days (excluding Saturdays, Sundays and Public Holidays) till the date of passing of this resolution.

None of the Directors, Key Managerial Personnel of the Company including their relatives are concerned or interested in the resolutions, except to the extent of their entitlements determined lawfully, if any, under ESOS 2022.

The Board, accordingly, recommends the passing of special resolutions as set out at Item No. 2 and 3 of this notice, for the approval of the members.

By Order of the Board of Directors

Sd/-

**Narendra Gangan
General Counsel, Chief Compliance Officer
& Company Secretary
ACS 11770**

Place: Mumbai

Date: July 29, 2022

Registered Office:

13th Floor, Lodha Excelus, Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi, Mumbai – 400 011