

NOTICE

NOTICE is hereby given that the Extra-Ordinary General Meeting (EGM) of the Members of **ADITYA BIRLA FINANCE LIMITED** will be held on Monday, the 7th day of November, 2022 at 9:30 A.M. at ABFL Board Room, 18th Floor, Tower 1, One World Centre, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 to transact, as may be permissible, the following business.

SPECIAL BUSINESS:

1. **To approve borrowing limits of the Company**

To consider and if thought fit, to pass, with or without modification(s) the following resolution, **as Special Resolution:**

“RESOLVED THAT in supersession of the resolution passed by the Members at the Annual General Meeting held on July 22, 2019 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules made thereunder, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) to borrow such sum or sums of money in any manner from time to time, with or without security and upon such terms and conditions as the Board may deem fit and expedient for the purpose of the business of the Company, notwithstanding, that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount borrowed / to be borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) and outstanding at any time shall not exceed Rs. 1,00,000 crore (Rupees One Lakh Crore Only).

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

2. **Creation of Charges on the assets of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution, **as Special Resolution:**

“RESOLVED THAT in supersession of the resolution passed by the Members at the Annual General Meeting held on July 22, 2019 and pursuant to Section 180 (1)(a) and all other

applicable provisions, if any, of the Companies Act, 2013 (“Act”), the consent of the Members be and is hereby granted to the Board of Directors (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) to create such security, mortgages, charges and hypothecation as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee may direct, to or in favour of the Security Trustee(s), financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures / bonds and / or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans / foreign currency loans, debentures, bonds and other instruments together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds to be entered into by the Company in respect of the borrowings such that the outstanding amount of debt at any point of time does not exceed Rs. 1,00,000 Crore (Rupees One Lakh Crore Only).

“**RESOLVED FURTHER** that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

3. Private placement of unsecured Non-Convertible Debentures

To consider and if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force), other applicable rules under Companies Act, 2013 and SEBI Regulations/ Guidelines, Reserve Bank of India Directions / Guidelines, and such other consents as may be required, if any, the approval of the Members be and is hereby accorded to the Board of Directors to borrow funds :

- (a) by issuance of Secured, Redeemable Non-Convertible Debentures for an amount not exceeding Rs. 60,000 Crore (Rupees Sixty Thousand Crore Only)
- (b) by issuance of Unsecured, Redeemable Non-Convertible Debentures which shall be subordinated to the claims of other creditors and are free from restrictive clauses and are not redeemable at the instance of the holder or without the consent of the RBI, for an amount not exceeding Rs. 4,500 crore (Rupees Four Thousand Five Hundred Crore Only)
- (c) by issuance of Unsecured, Redeemable Non-Convertible Debentures qualifying for inclusion as Tier-I Capital which shall be subordinated to the claims of other creditors and are free from restrictive clauses and are not redeemable at the instance of the holder or

- without the consent of the RBI, for an amount not exceeding Rs. 900 crore (Rupees Nine Hundred Crore Only)
- (d) by issuance of unsecured debentures (not qualifying as perpetual / sub-debt, but senior to these debentures) which shall be senior to the claims of sub debt and perpetual debt for an amount not exceeding Rs.5,000 Crore (Rupees Five Thousand Crore Only)
 - (e) By issuance of Secured / unsecured redeemable non-convertible Debentures for amount not exceeding Rs. 3,000 Crore in the overseas markets (also known as masala bonds).

from time to time, in one or more tranches, by making offer(s), or invitation(s), to subscribe to the Debenture(s), either unlisted or to be listed on the Wholesale Debt Market Segment of National Stock Exchange of India Ltd. and / or BSE Limited, on a private placement basis (NCDs), on such terms and conditions as the Board may from time to time determine and consider proper.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, things as may be necessary, usual or expedient to give effect to the aforesaid resolution.”

4. Appointment of Ms. Vishakha Mulye as a Non-Executive Director of the Company

To consider and if thought fit, to pass, with or without modification(s) the following resolution, as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to the provisions of Articles of Association of the Company and basis the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, Ms. Vishakha Mulye (DIN : 00203578), who was appointed by the Board of Directors as an Additional (Non – Executive Non - Independent) Director of the Company w.e.f. October 21, 2022, to hold office up to the date of the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of a Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and / or the Key Managerial personnel of the Company, be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution.”

5. **Adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (“ABCL Scheme 2022”) and the extension of the benefits under the ABCL Scheme 2022 to the employees of the Company**

To consider and if thought fit, to pass, with or without modification(s) the following resolution, as **Special Resolution**.

“**RESOLVED THAT** in accordance with the provisions contained in the Articles of Association of the Company and Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules framed thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (the “SEBI SBEB SE Regulations”), any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and further subject to such approvals, consents, permissions and sanctions, as may be required, and subject to such conditions and modifications as may be prescribed or imposed by the above authorities and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee to exercise its powers conferred by this Resolution) the consent of the members of the Company be and is hereby accorded for adoption of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (“ABCL Scheme 2022”) being the employee stock option scheme formulated and approved by the Board of Directors and the members of Aditya Birla Capital Limited (“ABCL”), the holding company of the Company, and the extension of the benefits under ABCL Scheme 2022 to the eligible persons who are in employment of the Company whether working in India or outside India, including any managing or whole- time director(s) (but not including any Promoter (or member of the Promoter group) or an independent director) selected on the basis of criteria decided by the Board or Committee thereof in accordance with the terms under ABCL Scheme 2022, on such terms and conditions as may be fixed or determined by the Board and/ or ABCL in accordance with the SEBI SBEB SE Regulations, 2021 or other provisions of the law as may be prevailing at that time.”

“**RESOLVED FURTHER THAT** in accordance with the provisions contained in the Articles of Association of the Company and Section 67 and all other applicable provisions, if any, of the Act, the members of the Company hereby give consent and approve the payment of costs, by the Company pertaining to exercise of the employee stock options (“Options”) and/ or performance stock units (“PSUs”) (collectively “Stock Options”) as may be granted to the employees of the Company under ABCL Scheme 2022 in such proportion as may be fixed or determined by the Board representing upto 100% (one hundred per cent) of the costs of exercise of the relevant Stock Options as allocated and apportioned by ABCL to the Company for an amount of Rs. 92 Crore (Rupees Ninety Two Crore) plus taxes and other statutory charges as applicable under law, or such other amount as may be determined under the framework of ABCL Scheme 2022 and approved by the Board, in one or more tranches from time to time, over the period of the Scheme.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard at any stage.”

NOTES:

1. **A member entitled to attend and vote at the General Meeting (the ‘Meeting’) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.

2. Explanatory Statement, pursuant to Section 102 of Companies Act, 2013 relating to Special Businesses as aforesaid to be transacted at this AGM, is annexed.
3. Members/ Proxies/Authorised Representatives should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
4. The Registers under the Companies Act, 2013 will be available for inspection by the members at the Extra Ordinary General Meeting of the Company.
5. Corporate members intending to depute their authorized representatives to attend the Meeting are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.
6. Members may also note that the Notice of the Extra Ordinary General Meeting will also be available on the Company’s website www.adityabirlafinance.com
7. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, up to and including the date of Extra Ordinary General Meeting of the Company.

Aditya Birla Finance Limited

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Registered Office:
Indian Rayon Compound, Veraval,
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CIN: U65990GJ1991PLC064603



**Aditya Birla
Finance Ltd.**

(A part of Aditya Birla Capital Ltd.)



PROTECTING INVESTING FINANCING ADVISING

8. As the matters under consideration are of an urgent nature, the meeting is called at a shorter notice after receipt of consent from the appropriate no. of Members entitled to vote at the Meeting pursuant to Section 101 of the Companies Act, 2013.

**By order of the Board
For Aditya Birla Finance Limited**

**Place: Mumbai
Date: November 5, 2022**

**Ankur Shah
Company Secretary**

Registered Office: Indian Rayon Compound, Veraval, Gujarat 362266

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Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business mentioned in the Notice of the Extra-Ordinary General Meeting of the Company

ITEM NO. 1 & 2

In terms of the Section 180(1)(c) of the Companies Act, 2013, the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of the business, except with the consent of the company accorded by way of a special resolution.

It is therefore necessary that the Members pass special resolution as set out in item no. 1 of the Notice to enable the Board of Directors to borrow money in excess of the limit as specified thereunder. Approval of the Members is being sought to borrow money up to Rs. 1,00,000 Crore (Rupees One Lakh Crore Only), which is in excess of the paid up capital and free reserves. As the Company is in lending business, these borrowings are required for its day to day business operations.

Pursuant to borrowings made/to be made, the Company may have to mortgage and/or create charge or hypothecate all or any one or more of the moveable/immovable properties or other assets of the Company. For the said creation of security on the assets of the Company, the approval of the Members by way of special resolution as set out in item no. 2 is necessary in terms of provisions of Section 180(1)(a) of the Act.

Hence, the Directors request the Members to pass special resolutions pursuant to Section 180(1)(a) & (c) of the Companies Act, 2013 authorizing the Board of Directors to borrow monies and to create charge/security on assets of the Company.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of the Directors or KMPs, are concerned or deemed to be interested in the aforesaid resolutions.

The Directors request the Members to pass special resolution for the said modifications in the borrowing limits.

Item No. 3

Section 42 of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules 2014 mandates companies to pass special resolution for issuing Non-Convertible Debentures (NCD) through private placement where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in clause (c) of sub-section (1) of section 180, for all the offers or invitation for such debentures during the year. The previous resolution was passed by the Members at their annual general meeting held on June 5, 2018. As the Company is proposing to increase the limits of its total borrowings under section 180(1)(c), the present resolution is proposed to be passed by the Members. NCDs issued on private placement basis are a significant source of borrowings for the Company. The proceeds of the

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NCDs will be used for the Company's various financing activities, to repay its existing loans and for its business operations including for its capital expenditure and working capital requirements.

The Members of the Company at their Annual General Meeting held on June 5, 2018, had authorized the Board to issue secured redeemable non-convertible debentures for amount not exceeding Rs. 30,000 Crore, Subordinated Debt qualifying as Tier-II Capital in the form of unsecured, redeemable, non-convertible Debentures for an amount not exceeding Rs. 2,500 Crore, perpetual debt instruments qualifying as Tier-I Capital in the form of unsecured, redeemable, non-convertible Debentures for an amount not exceeding Rs. 900 Crore and Unsecured Debentures/ bonds (not qualifying as perpetual/ sub debt, but senior to these debentures) for an amount not exceeding Rs. 3,000 and Secured / unsecured redeemable non-convertible Debentures for amount not exceeding Rs. 3,000 Crore in the overseas markets (also known as masala bonds). The Company intends to consider issuance of the following NCDs which may be issued on private placement basis with the revised limits as under:

(Amount Rs. in Crore)

Instruments	Proposed limit
Secured, Redeemable Non-Convertible Debentures	60,000
Unsecured Debentures (sub-debt)	4,500
Unsecured NCDs (Perpetual)	900
Unsecured NCDs (not qualifying as perpetual / sub-debt, but senior to these debentures)	5,000
Secured / unsecured redeemable non-convertible Debentures in the overseas markets	3,000

Your Directors request the Members to pass the special resolution approving the issuance of NCDs on private placement basis.

None of the Directors and Key Managerial Persons or the relatives of the Directors or KMPs, are concerned or deemed to be interested in the aforesaid resolution.

Item No. 4

The Company had received approval from RBI on October 4, 2022 for the appointment of Ms. Vishakha Mulye as a Non-Executive Director of the Company.

Subsequently, Ms. Vishakha Mulye was appointed as an Additional Director by the Board of Directors vide its resolution passed by circulation wef October 21, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 84 of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 and the SEBI LODR regulations, Ms. Mulye shall hold office up to the date of the next General Meeting or for a time period of three months from the date of appointment, whichever is earlier. In this regard, the Company has received request in writing from a member of the Company proposing Ms. Mulye's candidature for

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appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Details of Ms. Mulye stating her qualifications, expertise in specific functional areas, and other details as required under Secretarial Standards on General Meetings are annexed to this Notice. Ms. Mulye is the Chief Executive Officer of Aditya Birla Capital Limited, holding company of the Company. The Board feels that presence of Ms. Mulye on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 4 for adoption.

Except Ms. Mulye, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolution under Item No. 4 to be passed as an ordinary resolution.

Item No. 5

The Company aims to provide competitive remuneration opportunities to its employees, including through annual incentive plans and long-term incentive plans. The Company believes that the presence of a long-term incentive plan and the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The Company views stock options as long-term incentive instruments to enable the employees to share the value they create for the Company in the years to come.

Towards this objective, the Company has already adopted 'Aditya Birla Finance Limited Employee Stock Option Scheme 2022'.

Further in line with the long term employee engagement at all levels and with a view to leverage the World of Opportunities within Aditya Birla Group ('ABG'), Aditya Birla Capital Limited ("ABCL"), holding company intends to extend the benefits of Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022 ("ABCL Scheme 2022") to the eligible employees of its subsidiary company(ies) and its associate company(ies).

Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company, for their high level of individual performance, for their efforts to improve the financial performance of the Company and their loyalty to the Company, by extending the benefits of ABCL Scheme 2022 to them. The eligible employees shall be granted employee stock options ("Options") and / or performance stock units ("PSUs") (collectively "Stock Options") of ABCL upon such terms and conditions applicable to the Stock Options, as the case may be.

Towards this objective, the Company has proposed to adopt the ABCL Scheme 2022. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company at its meeting held on November 5, 2022 noted the features/ framework of ABCL Scheme 2022 and recommended the same for its adoption by the shareholders of the Company.

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The eligible allocation / apportionment of Stock Options under ABCL Scheme 2022 for the Company shall be as determined by ABCL and approved by the Board/ Committee of the Company. ABCL Scheme 2022 will be administered by the Nomination, Remuneration and Compensation Committee of ABCL. The ESOP charge on the basis of above allocation and the valuation arrived shall be borne by the Company in proportion of the grant done over the period of vesting as applicable and determined by the Board/ Committee.

To promote the culture of employee ownership, approval of Members is being sought for the extension of the benefits under ABCL Scheme 2022 to the eligible persons who are in employment of the Company whether working in India or outside India, including any managing or whole- time director(s) (but not including any Promoter (or member of the Promoter group) or an independent director) and also for the applicable ESOP charges towards the allocation of Stock Options as applicable and mentioned in the Resolution set out above.

ABCL Scheme 2022 has been formulated by ABCL in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and approved by the members of ABCL on 16 October 2022. Relevant details with respect to the aforementioned ABCL Scheme 2022 are as follows:

No.	Particular	Disclosure
(a)	A brief description of the scheme	ABCL aims to provide competitive remuneration opportunities to its employees, including through annual incentive plans and long-term incentive plans. ABCL believes that the presence of a long-term incentive plan and the resulting employee ownership can facilitate a performance driven culture and contribute to the success of ABCL.
(b)	The total number of Stock Options to be granted	<p>The aggregate number of employee stock options ("Options") and / or performance stock units ("PSUs") (collectively "Stock Options") proposed to be granted under ABCL Scheme 2022, shall not be exercisable into more than 4,10,71,270 equity shares of Rs. 10/- each ("Equity Shares") being 1.70% of the paid-up equity share capital of ABCL as on 30th June 2022 (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of ABCL from time to time). Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Option will entitle the grantee to one Equity Share and one PSU will entitle the grantee to one Equity Share).</p> <p>In case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, split or consolidation and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional equity shares are issued by ABCL to the grantees, for making such fair and reasonable adjustment, the ceiling of 4,10,71,270 equity shares shall be deemed to be increased to the extent of such additional equity shares issued. Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present ABCL Scheme 2022 or under a new scheme, subject to compliance with applicable laws.</p>
(c)	Identification of classes of employees entitled to participate and be beneficiaries in ABCL Scheme 2022	<p>(a) An employee as designated by ABCL, who is exclusively working in India or outside India; or</p> <p>(b) A director of ABCL, 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; or</p> <p>(c) An employee as defined in sub-clauses (a) or (b) above, of a group company including subsidiary company or its associate company, in India or outside India, or of a holding</p>

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		<p>company of ABCL, but does not include—</p> <p>(1) an employee who is a promoter or belongs to the promoter group;</p> <p>(2) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of ABCL.</p>
(d)	Requirements of vesting and period of vesting	<p>The Board or the NRC Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics which would include profitability, revenue, share price growth or any other strategic metrics as may be decided, on the achievement of which the Stock Options would be granted and/ or vested and which may be specified in the respective grant letters or the vesting letters to be issued in this regard.</p> <p>These criteria are sub divided by function for people as per their function and position in the overall hierarchy in the organisation. Considering the evolving business dynamics, the NRC Committee and Board will consider the appropriate metrics for driving performance for various divisions, functions and levels in the organisation.</p> <p>Vesting of Stock Options shall be subject to, amongst other things:</p> <p>(A) the condition that a minimum of one year has completed from the grant date, except in case of death or permanent incapacity of the grantee, in which case the Stock Options, as the case may be, shall vest immediately, and</p> <p>(B) the condition that the grantee is:</p> <p>(i) in continuous employment with ABCL or group company(ies) including subsidiary company (ies) or associate company(ies) or holding company;</p> <p>(ii) is not serving any notice of resignation / termination on the date of such vesting [except in case of (a) death of employee; (b) permanent incapacity suffered by the grantee; (c) retirement; or (d) transfer or deputation to a group company, including holding company, subsidiary company, or an associate company]; and</p> <p>(iii) is not subject to any pending disciplinary proceeding.</p> <p>In case the grantee is transferred or deputed by ABCL to a group company, including holding company, subsidiary company, or an associate company, the Stock Options granted to such grantee may continue to vest or exercised, in the manner as per the discretion of the NRC Committee, and in accordance with ABCL's policies, and applicable laws.</p> <p>In case of cessation of employment due to retirement or superannuation, in case of:</p> <p>(i) unvested Options: (a) all unvested Options, which are, in terms of the applicable vesting schedule, scheduled for vesting within 12 months from the date of retirement of the grantee will vest on the due dates as per applicable vesting schedule outlined in the letter of grant; and (b) the balance unvested Options will lapse on the date of retirement, unless otherwise determined by the NRC Committee, whose determination shall be final and binding;</p> <p>(ii) unvested PSUs: such number of unvested PSUs that represent the proportionate period of employment of the grantee from the date of grant of the PSUs shall vest on the due dates as per applicable vesting schedule outlined in the letter of grant and the balance unvested PSUs will lapse on the date of retirement, unless otherwise determined by the NRC Committee whose determination shall be final and binding.</p> <p>After the date of retirement or superannuation, all vested Stock Options shall be exercisable by the grantee (or by the nominee(s)/ legal heir(s)/ successor(s) of the grantee as the case may be, upon the death of the grantee) within 3 (three) years from the date of retirement or superannuation, subject to the last date of exercise not exceeding 5 (five) years from the date of each vesting of the Stock Options, as the case may be.</p> <p>Vesting Period for Stock Options: The Stock Options granted shall vest not earlier than one year in one or more tranche and not later than four years from the date of grant for Stock Options or such other period as may be determined by the NRC Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Stock Options would vest) would be determined by the NRC Committee, subject to the minimum vesting period of one year from the date of grant of Stock Options (except in case of death and permanent incapacity).</p>

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		The benefits accrued and/ or availed under ABCL Scheme 2022 shall be subject to malus and clawback conditions in line with the extant Remuneration Policy of ABCL and relevant RBI regulations, circulars and guidelines, as amended from time to time.
(e)	The maximum period within which the Stock Options shall be vested	Four years or such other period as may be determined by the NRC Committee.
(f)	Exercise price	Exercise price for Options: The Equity Shares to be issued pursuant to the exercise of the Options would be issued at the Market Price of the equity shares at the time of grant of Options. Exercise price for PSUs: The Equity Shares to be issued pursuant to the exercise of the PSUs would be issued at face value of the equity shares at the time of grant of PSUs.
(g)	Exercise period and process of exercise	The exercise period shall not be more than a period of 5 (five) years from the date of vesting of Stock Options or such other period as may be determined by the NRC Committee, subject to company policies and applicable laws. The Stock Options will be exercisable by the employees through a written application to ABCL accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the NRC Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period.
(h)	The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility criteria of the employees will be specified by the NRC Committee, and will be based on criteria such as role/ level of the employee, past performance record, future potential of the employee, and/or such other criteria that may be determined by the NRC Committee at its sole discretion.
(i)	The maximum number of options to be issued per employee and in aggregate	The maximum number of Options and PSUs that can be granted to a single Employee under ABCL Scheme 2022 shall not exceed 1% of the paid-up equity share capital of ABCL at the time of grant. The maximum number of Options and PSUs that can be granted in aggregate is 4,10,71,270 equity shares, being 1.70% of the paid-up equity share capital of ABCL as on 30th June 2022.
(j)	The maximum quantum of benefits to be provided per employee under a scheme	Apart from grant of Options and PSUs as stated above in item (i), no monetary benefits are contemplated under ABCL Scheme 2022.
(k)	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	ABCL Scheme 2022 will be implemented through direct route and administered by the NRC Committee.
(l)	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	ABCL Scheme 2022 involves new issue of shares by ABCL in compliance with the SEBI SBEB & SE Regulations and other applicable laws.
(m)	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.	Not Applicable
(n)	The maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the scheme(s)	Not Applicable

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(o)	The method which the company shall use to value its options	To calculate the employee compensation cost, ABCL shall use the Fair Value Method for valuation of the Stock Options granted or such valuation method as may be prescribed from time to time in accordance with applicable laws.
(p)	Period of lock-in	The equity shares arising out of exercise of vested Options will not be subject to any lock - in period after such exercise.
(q)	Transferability of Stock Options	The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.
(r)	Any interest of the key managerial personnel, directors or promoters in ABCL Scheme 2022 and effect thereof	The Promoters and Promoter Group and the Independent Directors are not interested in ABCL Scheme 2022. Key Managerial Personnel may be deemed to be interested to the extent of Stock Options as may be offered to them under ABCL Scheme 2022.
(s)	The detailed particulars of benefits which will accrue to the employees from the implementation of ABCL Scheme 2022	The employees can exercise Stock Options granted to them to get equity shares.
(t)	Listing	The equity shares to be allotted pursuant to the exercise of the stock options under ABCL Scheme 2022, shall be listed on BSE Limited and National Stock Exchange of India Limited.

In terms of Section 67 and other applicable provisions of the Companies Act, 2013, as amended, consent of the Members is required by passing a special resolution in general meeting for adoption of ABCL Scheme 2022 and offering Stock Options under it as stated in Resolution No. 5 of this Notice to the employees of the Company by ABCL in accordance with applicable laws.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Special resolution set out in Item No. 5 of this Notice, except to the extent of the Equity Shares arising from the Stock Options that may be offered to them under ABCL Scheme 2022. The Stock Options to be granted under ABCL Scheme 2022 shall not be treated as an offer or invitation made to the public for subscription in the securities of ABCL.

None of the Directors and Key Managerial Personnel are inter-se related to each other.

The Board recommends the Special Resolution as set out at Item no. 5 for approval of the Members.

**By order of the Board
For Aditya Birla Finance Limited**

**Place: Mumbai
Date: November 5, 2022**

**Ankur Shah
Company Secretary**

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Details of Director seeking appointment in the Extraordinary General Meeting as required under Secretarial Standards on General Meetings

Name of the Director	Ms. Vishakha Mulye
Date of Birth	04/02/1969
Qualification	B.Com and Chartered Accountant
Expertise in specific functional area	<p>Ms. Vishakha Mulye have experience in the field of Accountancy, Banking, Finance, Human Resources, Risk Management, Business Management, Investments, Insurance, Strategy, Treasury & Markets, Investment Banking, Investor Relationship, Corporate Banking & Relationship Management.</p> <p>She is the Chief Executive officer of ABCL, the holding Company for all the financial services businesses of the Aditya Birla Group. She took lead of the company effective from 1st July 2022. She is also a director on the board of Aditya Birla Management Corporation Private Limited, the apex decision-making body of the Aditya Birla Group.</p> <p>Before joining ABG, she was an Executive Director on the Board of ICICI Bank. In a career spanning thirty years, she has held many significant roles and led several strategic initiatives as a part of the ICICI Group, most recently as the head of domestic and international Wholesale Banking Group, Proprietary Trading Group, Markets Group and Transaction Banking Group at the Bank.</p>
Terms and conditions of appointment or re-appointment	Appointed as a Non -executive Director liable to retire by rotation
Remuneration sought to be paid and last drawn remuneration (excluding sitting fees)	NA
Date of first appointment on the Board	21/10/2022
Shareholding in the Company	Nil
Whether related with other Directors / Key Managerial Personnel or any of their relatives	No
Number of Meetings of the Board attended during the year	NA
Directorships held in other companies	<p>i. Aditya Birla Housing Finance Limited;</p> <p>ii. Aditya Birla Sun Life Insurance Company Limited;</p> <p>iii. Aditya Birla Management Corporation Private Limited</p> <p>iv. Aditya Birla Health Insurance Company Limited;</p> <p>v. Aditya Birla ARC Limited;</p> <p>vi. Aditya Birla Sun Life AMC Limited;</p> <p>vii. Aditya Birla Capital Foundation (Section 8 Company)</p>

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Chairman / Member of Committee(s) of Board of Directors of the Company	Member of Audit Committee, Nomination and Remuneration Committee, Finance Committee, Risk Management Committee, and CSR Committee
Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he/she is a Director	As per Annexure I

Annexure I

Sr. No.	Name of the Company	Name of the Committee	Member/ Chairman
1	Aditya Birla Capital Limited	Asset Liability Management Committee	Chairperson
		IT Strategy Committee	Member
		PIT Regulations Committee	Member
		Risk Management Committee	Member
2	Aditya Birla Sun Life Insurance Company Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Risk Management Committee	Member
		Asset Liability Management Committee	Chairperson
		Policyholders' Protection Committee	Chairperson
3	Aditya Birla Health Insurance Co Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
		Policyholders' Protection Committee	Member
4	Aditya Birla Housing Finance Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
5	Aditya Birla Sun Life AMC Limited	Audit Committee	Member
		Nomination, Remuneration and Compensation Committee	Member
		Risk Management Committee	Member
		Product Committee	Member
		Corporate Social Responsibility Committee	Member

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