

NOTICE is hereby given that Extra-ordinary General Meeting (EGM) of the Members of **ADITYA BIRLA HOUSING FINANCE LIMITED** will be held on **Monday, the 7th Day of November 2022 at 09:00 A.M. (IST)** at shorter notice at One Indiabulls Centre, Tower 1, 18th Floor, Elphinstone Road, Mumbai 400013 of the Company to transact the following business:

SPECIAL BUSINESS:

1. 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 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 shareholders 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 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,

Aditya Birla Housing Finance Limited

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care.housingfinance@adityabirlacapital.com | adityabirlahousingfinance.com

Registered Office:

Indian Rayon Compound, Veraval,
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CIN: U65922GJ2009PLC083779



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. 13 Crore (Rupees Thirteen Crore) over the period of ABCL Scheme 2022 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.”

“**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. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
3. 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.
4. Members may also note that the Notice of the Extraordinary General Meeting will also be available on the Company’s website www.adityabirlahousingfinance.com
5. Explanatory Statement, pursuant to Section 102 of Companies Act, 2013 relating to Business as aforesaid to be transacted at this Extraordinary General Meeting, is annexed.

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Aditya Birla Housing Finance Ltd.

(A part of Aditya Birla Capital Ltd.)



ADITYA BIRLA CAPITAL

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- All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office and Corporate 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 General Meeting of the Company.
- Members can raise questions during the meeting or in advance by sending email to swati.singh7@adityabirlacapital.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable the answer the same. The same will be replied by the Company suitably.
- A Corporate member intending to depute its authorized representatives to attend the Meeting is requested to send to the Company at swati.singh7@adityabirlacapital.com 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.
- If you need any assistance before or during the meeting you can reach out to Ms. Swati Singh, Company Secretary (9820061933).

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

**Mumbai
November 5, 2022**

**Swati Singh
Company Secretary
Membership No. A20388**

Registered Office: Indian Rayon Compound, Veraval, Gujarat 362266, India

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No. 1

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 Housing 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, the Board of Directors of the Company at its meeting held on October 21, 2022 noted the features/ framework of ABCL Scheme 2022 and recommended the same for its adoption by the shareholders of the Company.

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.

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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 company of ABCL,</p> <p>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	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.

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		<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> <ul style="list-style-type: none"> (i) in continuous employment with ABCL or group company(ies) including subsidiary company (ies) or associate company(ies) or holding company; (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 (iii) is not subject to any pending disciplinary proceeding. <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> <p>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</p>
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		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
(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.

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(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. 1 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 are in any way, concerned or interested in the resolution, 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.

None of the Directors or 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. 1 of this Notice, except to the extent of the Stock Options that may be granted to them under ABCL Scheme 2022.

The Board recommends the Special Resolution as set out at Item no. 1 for approval of the Members.

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

**Mumbai
November 5, 2022**

**Swati Singh
Company Secretary
Membership No. A20388**

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