

September 3, 2021

Ref. No: HDFC Life/CA/2021-22/ 36

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, Block G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400 051

Listing Department
BSE Limited
Sir PJ Towers,
Dalal Street,
Fort,
Mumbai – 400 001

NSE Symbol : HDFCLIFE

BSE Security Code : 540777

Dear Sir / Madam,

Sub: Intimation of the outcome of Board Meeting held on September 3, 2021 under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

We wish to inform you that the Board of Directors of HDFC Life Insurance Company Limited (“**Company**”) at their meeting held today (i.e. September 3, 2021) have approved the following matters:-

1. Acquisition of 100% of the share capital of Exide Life Insurance Company Limited

Acquisition of 100% of the share capital of Exide Life Insurance Company Limited (“**Target**”) for a total consideration of ₹ 6,687 crore (Rupees six thousand six hundred eighty seven crore only), of which ₹ 725,97,77,930 (Rupees seven hundred twenty five crore ninety seven lakh seventy seven thousand nine hundred and thirty only) will be payable in cash and the balance by way of issue 8,70,22,222 (eight crore seventy lakh twenty two thousand two hundred and twenty two) equity shares of face value of ₹ 10/- (Rupees ten only) of the Company issued at a price of ₹ 685 (Rupees six hundred and eighty five only) per share to Exide Industries Limited (holding company of the Target). The completion of the acquisition is subject to customary conditions such as receipt of all regulatory and other approvals. The details/ disclosures required under Regulation 30 of the Listing Regulations, read with Schedule III thereto and the SEBI Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015, are enclosed as Annexure 1 to this letter.

2. Issue of 8,70,22,222 equity shares of the Company by way of preferential allotment

Issuance of 8,70,22,222 (eight crore seventy lakh twenty two thousand two hundred and twenty two) equity shares of face value of ₹ 10/- each of the Company, on a preferential allotment basis at a price of ₹ 685/- (Rupees six hundred and eighty five only) per equity share (including a premium of ₹ 675/- (Rupees six hundred and seventy five only) per equity share) to Exide Industries Limited as part consideration for acquisition of 100% of the shareholding of Exide Life Insurance Company Limited (“**Proposed Issue**”). The completion of the Proposed Issue is subject to shareholders’ approval and is subject to customary conditions such as receipt of all regulatory approvals.

HDFC Life Insurance Company Limited

Corporate & Registered Office:
13th Floor, Lodha Excelus, Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi, Mumbai - 400011
CIN: L6510X112000PLC128235

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The approval of shareholders for the Proposed Issue is sought to be obtained at an extraordinary general meeting to be held on September 29, 2021, and the Relevant Date, in terms of provision of SEBI ICDR Regulations for determining the floor price of the Proposed Issue is August 30, 2021. The details/disclosures required under Regulation 30 of the Listing Regulations, read with Schedule III thereto and the SEBI Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015, are enclosed as Annexure 2 to this letter.

3. Approval of issue of notice for Extra-Ordinary General Meeting of the shareholders of the Company ("EGM")

Convening of an EGM of the shareholders of the Company to be held on Wednesday, September 29, 2021 through video conferencing or other audio visual means for seeking the shareholders' approval for the preferential issue of equity shares to Exide Industries Limited (as specified in paragraph 2 above).

The meeting of the Board of Directors of the Company commenced at 7.45 a.m. and concluded at 8.25 a.m.

A press release and presentation in relation to the proposed transaction is also enclosed.

This is for your information and appropriate dissemination.

Thanking you,

For HDFC Life Insurance Company Limited

**NARENDRA
GANGAN**

Digitally signed by NARENDRA GANGAN
DN: c=IN, o=Personal, email=9139,
pseudoym=49c0f8079963bee3624a0546c209bcad26b5,
c=27733aaxnc26322501750d, postalCode=400016,
st=Maharashtra,
serialNumber=477050273aw81db238910a48bc6ba744a7ae,
3b05d66f4f4d46c99479307592, cn=NARENDRA GANGAN
Date: 2021.09.03 08:28:21 +05'30'

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

Encl.: As above

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Annexure-1

Sr. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.	Exide Life Insurance Company Limited (“ Target ”) Turnover (Total premium for FY 2020-21): ₹ 3,325 crore AUM (as on June 30, 2021): ₹ 18,780 crore Embedded Value (as on June 30, 2021): ₹ 2,711 crore
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	No.
3	Industry to which the entity being acquired belongs	Life insurance
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>HDFC Life Insurance Company Limited (“HLIC”) will acquire a 100% stake of the Target from Exide Industries Limited for a total consideration of ₹ 6,687 crore (Rupees six thousand six hundred eighty seven crore only) payable by way of (i) cash consideration of ₹ 725,97,77,930 (Rupees seven hundred twenty five crore ninety seven lakh seventy seven thousand nine hundred and thirty only), and (ii) issuance of 8,70,22,222 (eight crore seventy lakh twenty two thousand two hundred and twenty two) equity shares at an issue price of ₹ 685 (Rupees six hundred and eighty five only) per share.</p> <p>Upon completion of the transaction, the Target is proposed to be merged into HLIC. The process for merger of Target into HLIC will be initiated upon completion of the acquisition.</p> <p>We believe that transaction can result in value creation for customers, employees, shareholders and distribution partners. This transaction will provide an opportunity for HLIC and the Target to realise synergies arising out of complementary business models.</p>
5	Brief details of any governmental or regulatory approvals required for the acquisition.	The Company will obtain all approvals as may be required under applicable laws from any regulatory authority for completion of the proposed transaction, including from the Insurance & Regulatory Development Authority of India and the Competition Commission of India.
6	Indicative time period for completion of the acquisition	The acquisition is expected to be completed before June 30, 2022.

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7	Nature of consideration - whether cash consideration or share swap and details of the same	100% shareholding of the Target will be acquired from Exide Industries Limited for a total consideration of ₹ 6,687 crore (Rupees six thousand six hundred eighty seven crore only) payable by way of (i) cash consideration of ₹ 725,97,77,930 (Rupees seven hundred twenty five crore ninety seven lakh seventy seven thousand nine hundred and thirty only), and (ii) issuance of 8,70,22,222 (eight crore seventy lakh twenty two thousand two hundred and twenty two) equity shares at an issue price of ₹ 685 (Rupees six hundred and eighty five only) per share.
8	Cost of acquisition or the price at which the shares are acquired	₹ 66,87,00,00,000 (Rupees six thousand six hundred eighty seven crore only)
9	Percentage of shareholding / control acquired and / or number of shares acquired;	100% of the share capital
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<ul style="list-style-type: none"> • Products/Line of business acquired: Life insurance • Date of incorporation: December 13, 2000 • Turnover (Total premium for last 3 financial years): <ul style="list-style-type: none"> ○ FY 2020-21: ₹ 3,325 crore ○ FY 2019-20: ₹ 3,220 crore ○ FY 2018-19: ₹ 2,886 crore • Country of operation: India

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Annexure-2

Disclosures required under Regulation 30 of the Listing Regulations

Sr. No.	Particulars	Details
1	Type of securities proposed to be issued	Equity Shares
2	Type of issuance	Preferential allotment for non-cash consideration
3	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);	8,70,22,222 (eight crore seventy lakh twenty two thousand two hundred and twenty two) equity shares to be issued
4	In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):	
	(i) name(s) of the investor(s)	Exide Industries Limited
	(ii) issue price and number of investors	Issue price: ₹ 685 (Rupees six hundred and eighty five only) per equity share Number of investors: 1 (one)
	(iii) in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument	Not Applicable
5	Any cancellation or termination of proposal for issuance of securities including reasons thereof	Not Applicable

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PRESS RELEASE

HDFC Life announces acquisition of Exide Life Insurance and its subsequent merger with HDFC Life

- HDFC Life to acquire 100% stake in Exide Life Insurance from Exide Industries via issuance of 8,70,22,222 shares at an issue price of Rs. 685 per share and a cash payout of Rs. 726 crore, aggregating to Rs. 6,687 crore
- Proposed transaction will accelerate the growth of Agency business of HDFC Life as well as strengthen other distribution channels including Broker, Direct and Co-operative Banks
- Complementary geographical presence with a strong foothold in South India, especially in Tier 2 and Tier 3 locations
- Customers to benefit from stronger product suite, wider distribution network and more service touch points
- Synergies to enhance shareholder value with potential to improve new business margins via operating leverage and product mix optimisation

Mumbai, September 3, 2021: The Board of Directors of HDFC Life Insurance Company Limited (“HDFC Life”), Exide Industries Limited (“Exide Industries”) and Exide Life Insurance Company Limited (“Exide Life”), at their respective meetings held today, approved the transaction involving the sale of Exide Life Insurance to HDFC Life. HDFC Life will acquire 100% stake in Exide Life Insurance from Exide Industries via issuance of 8,70,22,222 shares at an issue price of Rs. 685 per share and a cash payout of Rs. 726 crore aggregating to Rs. 6,687 crore. The process for merger of Exide Life into HDFC Life will be initiated on completion of the acquisition. The entire process, including the acquisition and subsequent merger, is subject to obtaining the relevant regulatory and other approvals.

The proposed transaction will give customers access to a wider bouquet of products and service touch points. Employees and agents will benefit from a larger, stronger organisation that realises the synergies arising out of complementary business models built on similar ethos. The proposed transaction will accelerate the growth of the Agency business of HDFC Life. Exide Life complements HDFC Life’s geographical presence and has a strong foothold in South India, especially in Tier 2 and 3 towns, thus providing access to a wider market. Further, a good quality, predominantly traditional and protection focussed business, will augment the existing embedded value of HDFC Life by approximately 10%. The embedded value of Exide Life, as on 30th June 2021, is Rs. 2,711 crore and has been reviewed by Willis Towers Watson Actuarial Advisory LLP. HDFC Life’s scale, market-leading digital and product innovation capabilities and prudent risk management strategy will aid in optimizing cost and over time, achieve higher margins for the acquired business.

The closure of the proposed transaction will *inter alia* be subject to approval by relevant regulators including the Insurance Regulatory and Development Authority of India (IRDAI), Competition Commission of India (CCI), National Company Law Tribunal (NCLT), stock exchanges and approval by the shareholders of HDFC Life and Exide Industries.

Commenting on the proposed transaction, Mr. Deepak S. Parekh, Chairman, HDFC Life said, “This is a landmark transaction, first of its kind, in the Indian life insurance space. It would enhance insurance penetration and further our purpose of providing financial protection to a wider customer base.”

Ms. Vibha Padalkar, MD & CEO, HDFC Life said, “We believe that this amalgamation can result in value creation for customers, employees, shareholders and distribution partners. It gives us an opportunity to realise synergies arising out of complementary business models, and further bolster our proprietary distribution network.”

Mr. Rajan B Raheja, Vice Chairman, Exide Industries Limited and Chairman, Exide Life Insurance Company Limited said, “The focus of Exide Industries has always been to enhance the value for its stakeholders. The proposed transaction is another step taken by Exide to meet above stated objective. It is likely to be a win-win situation for all stakeholders, since our subsidiary, Exide Life Insurance is going into the hands of HDFC Life Insurance, which has an established track record of value creation.”

Mr. Kshitij Jain, MD & CEO, Exide Life Insurance Company Limited said, “This transaction is testimony to the reputation that Exide Life insurance has built of being a well-managed company. We look forward to working closely with the HDFC life team on the proposed transaction. Being part of one of India’s most respected life insurance companies will certainly benefit our customers, employees, agents and partners.”

Transaction Advisors

AZB & Partners acted as the legal advisor to HDFC Life and Trilegal acted as the legal advisor to Exide Life and Exide Industries.

Deloitte Touche Tohmatsu India LLP and Ms. Rashmi Shah FCA (Registered Valuer) were appointed as valuers for the transaction by HDFC Life, and Desai Haribhakti & Co, Chartered Accountants and Mr. S. Sundararaman (Registered Valuer) were appointed as valuers by Exide Industries.

JM Financial Limited and Ambit Private Limited provided fairness opinions to the Boards of HDFC Life and Exide Industries respectively.

Further details with respect to the proposed transaction have been uploaded along with this press release.

About HDFC Life

HDFC Life Insurance Company Limited (formerly HDFC Standard Life Insurance Company Limited) ('HDFC Life' / 'Company') was established as a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on June 30, 2021, the Company had 37 individual and 13 group products in its portfolio, along with 7 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country having a wide reach with 390 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is around 300, comprising traditional partners such as NBFCs, MFIs and SFBs, and including new-ecosystem partners. The Company has a strong base of financial consultants.

About Exide Life

Exide Life Insurance Company Limited, a 100% owned subsidiary of Exide Industries Limited is an established and profitable life insurance Company. It commenced operations in 2001-02 and is head quartered in Bengaluru. The Company manages a customer base of 11.9+ lakhs and assets over Rs. 18,781 crores (as on June 30, 2021). During the financial year 2020-21, the Company achieved total premium income of over Rs. 3,325 crore. Exide Life Insurance distributes its wide range of Insurance products through multiple channels viz. agency, bancassurance, corporate agency & broking, direct channel and online. The agency channel comprises of 36,700+ advisors and has presence spread across the country through a wide 200+ branch network.

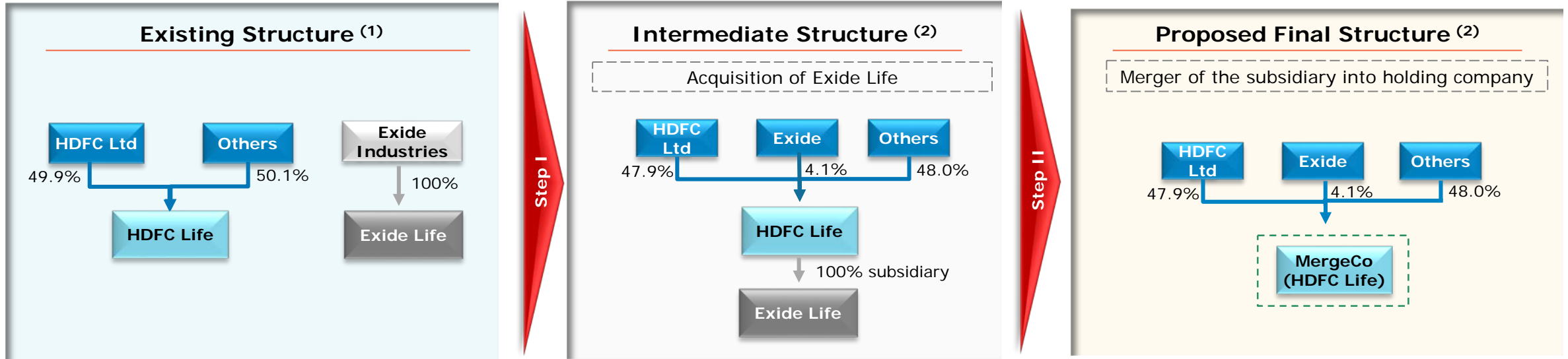
About Exide Industries

Exide Industries Limited is India's largest manufacturer of lead-acid storage batteries, offering the widest range of products to the automotive and industrial sectors. With a market capitalization of over Rs. 15,000 crore (as on June 30, 2021) and century old brand equity, it has the capacity to produce 57 million units of automotive batteries and over 5 billion Ampere-hours of Industrial power. Backed by a robust 55,000 plus direct and indirect dealer network and ten state-of-the-art manufacturing facilities in India, it has global presence in more than 60 countries. Exide is a market leader for last 75 years since its inception and is the only lead-acid battery company in the world to make batteries from 2.5 Ah to 20,200 Ah.

Exide Life: Acquisition and subsequent merger

September 3, 2021

Proposed structure



Deal Sequence	<ul style="list-style-type: none"> Acquisition of Exide Life through cash consideration and issuance of shares, followed by merger
Deal consideration	<ul style="list-style-type: none"> Aggregate consideration: Rs 6,687 Cr (8,70,22,222 shares @ Rs 685/share⁽³⁾ and cash payout of Rs 726 Cr)
Key approvals	<ul style="list-style-type: none"> Shareholder, IRDAI and CCI approval for proposed preferential allotment and acquisition IRDAI, NCLT and shareholder approval for proposed merger

Notes: 1. Shareholding as on Aug 31, 2021; 2. Based on shareholding and capital structure as of Aug 31, 2021; 3. SEBI floor price

Transaction rationale and objectives

Accelerate proprietary channel growth

- Adds ~40% to topline of HDFC Life Agency (based on FY21 nos.)
 - 36,700+ agent base as on 30th June, 2021

Complements our geographical presence

- Strong South India presence, especially in Tier 2 and Tier 3 locations

Good quality of business

- Good quality business focused on traditional and protection products
- Prudent risk management & conservative investment strategy resulting in robust Embedded Value

Synergies to enhance value for all stakeholders












- Customers to get access to a wider product suite and service touchpoints
- Potential to improve NBM via operating leverage and product mix optimisation

Respected brand and matching ethos

- Respected brand to help conserve value for all stakeholders
- Similar organization DNA and ethos
- Strong human capital comprising vintage and experienced employees

Key numbers at a glance ⁽¹⁾

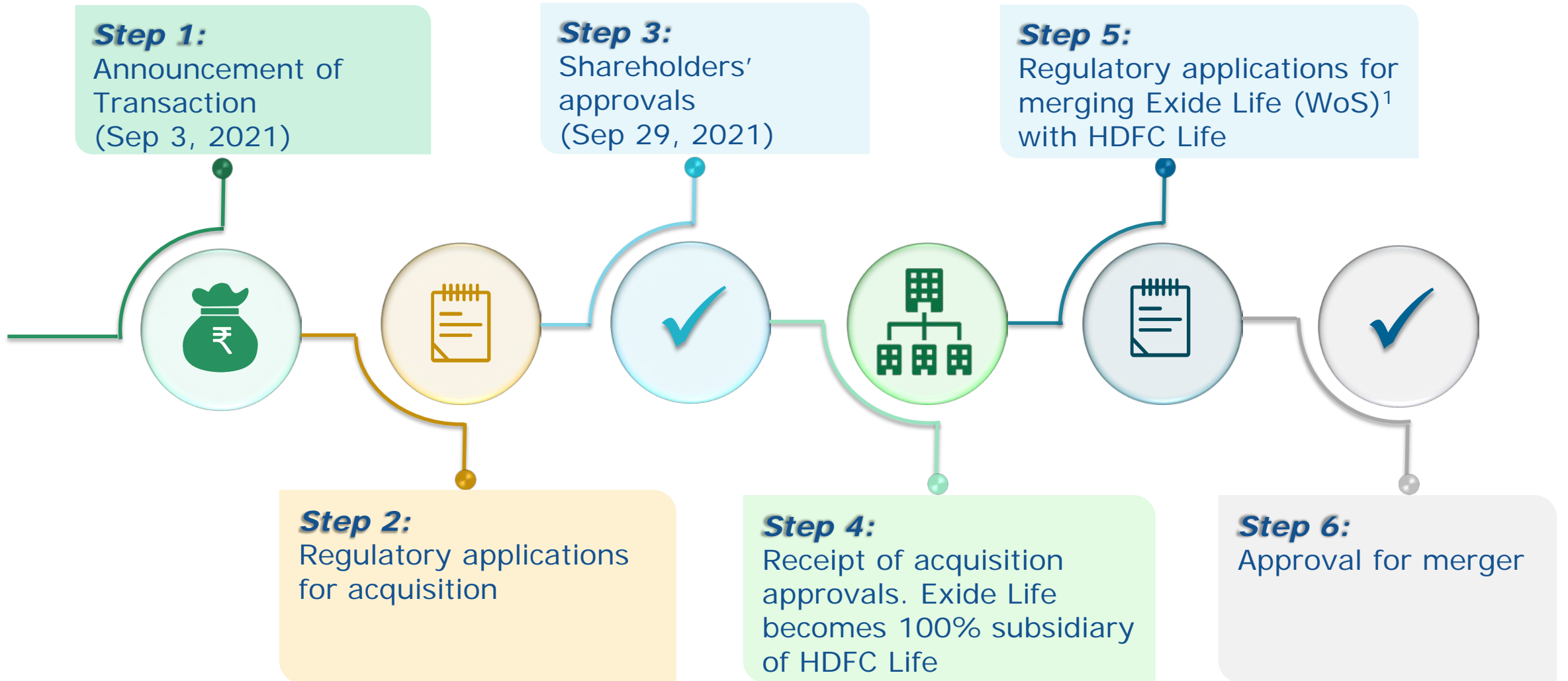
Rs crore

	 Sar utha ke jayo!	 Insurance	 Sar utha ke jayo!
 Total Premium	38,583	3,325	41,908
 Renewal Premium	18,477	2,544	21,021
 Individual WRP⁽²⁾	6,998	591	7,589
 Individual WRP⁽²⁾ private market share	15.5%	1.3%	16.8%
 Agency new business	937	358	1,295
 No. of agents ⁽³⁾	107,895	36,710	144,605
 Embedded Value ^(3,4)	27,331	2,711	30,042
 AUM ⁽³⁾	1,81,272	18,780	200,052

Notes:

1. Numbers pertain to FY21; 2. WRP stands for weighted received premium; 3. As on 30th June 2021;
4. Embedded Value of Exide Life, as on 30th June 2021, has been reviewed by Willis Towers Watson Actuarial Advisory LLP

Key milestones



Thank You

Disclaimer

The proposed transaction is subject to approval of various regulatory and other authorities, including without limitation, the Insurance Regulatory and Development Authority of India (IRDAI) and Competition Commission of India (CCI). Estimates, expectations, and business plans in this press release are forward-looking statements based on currently available information and the management's current views and assumptions. Such statements are naturally subject to risks and uncertainties. In addition to statements which are forward-looking by reason of context, the words "will", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Factors such as changes in applicable laws and regulations, including in regard to the life insurance sector, the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. HDFC Life, Exide Life and Exide Industries ("Parties") do not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of the statements contained in this press release. Therefore, in no case whatsoever will the Parties be liable to anyone for any decision made or action taken in conjunction with the information and/or statements in this press release or for any related damages.