

Price Waterhouse Chartered Accountants LLP

Chartered Accountants
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G. M. Kapadia & Co.

Chartered Accountants
1007, Raheja Chambers,
213 Nariman Point,
Mumbai – 400021

The Board of Directors,
HDFC Life Insurance Company Limited
Lodha Excelus, 13th Floor, Apollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi, Mumbai 400 011

Auditors' Certificate on the proposed Accounting Treatment contained in clause 18 and 19.1 included in the Draft Scheme of Amalgamation pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 ("SEBI Master Circular") and Sections 230 to 232 of the Companies Act, 2013 ("Act")

- 1) This certificate is issued in accordance with the terms of our agreement dated January 31, 2022.
- 2) We, the statutory auditors of HDFC Life Insurance Company Limited (hereinafter referred to as "the Company" or the "Transferee"), have examined the proposed accounting treatment specified in clauses 18 and 19.1 of the Draft Scheme of Amalgamation between Exide Life Insurance Company Limited (the "Transferor") and the Company and their respective shareholders, as approved by the Board of Directors of the Company in their meeting held on January 21, 2022, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") (the Draft Scheme) with reference to its compliance with the applicable Accounting Standards specified under Section 133 of the Act, (the 'applicable Accounting Standards') and other generally accepted accounting principles. The proposed accounting treatment in the books of the Company as set out in clause 18 and 19.1 of the Draft Scheme, is attached herewith in Appendix I, has been digitally signed by us for identification purposes only.

Management's Responsibility

- 3) The Company's management is overall responsible for the matters stated in section 134(5) of the Act, which includes compliance with the Accounting Standards specified under section 133 of the Act. Accordingly, the Company's Management is responsible for the preparation of the Draft Scheme which includes the proposed accounting treatment and also ensuring its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design and implementation and maintenance of adequate internal controls relevant to the preparation and presentation of the Draft Scheme.

Auditors' Responsibility

- 4) Our responsibility, for the purpose of this certificate is to express reasonable assurance in the form of an opinion as to whether the proposed accounting treatment contained in clause 18 and 19.1 of the Draft Scheme complies with the applicable Accounting Standards and other recognized accounting practices as prevalent in India.
- 5) Our responsibility is restricted to proposed accounting treatment to the extent it relates to accounting in the books of HDFC Life Insurance Company Limited and it does not get extended to accounting treatment in the books of other companies.
- 6) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

- 8) We have no responsibility to update this certificate for events and circumstances occurring after the date of this Certificate.

Conclusion

- 9) Based on our examination as stated above and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of section 230 of the 2013 Act read with SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021, we confirm that the accounting treatment contained in clause 18 and 19.1 of the Draft Scheme is in compliance with Regulation 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards specified under Section 133 of the Act, and other generally accepted accounting principles.

Emphasis of Matter

- 10) We draw your attention to the requirements of the MCA circular 09/2019 dated August 21, 2019, in accordance with which, the appointed date in a scheme of arrangement can be a future date, only if it is tied to the occurrence of an event. However, the appointed date as defined under clause 4.3 of the Draft Scheme is April 1, 2022 which is a future date, not tied to occurrence of any event and hence is subject to approval by the NCLT. Our conclusion is not modified in respect of this matter.

Restriction on Use

- 11) Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 12) This Certificate is issued at the request of the management of the Company and should not be used, referred to, published, distributed or relied upon by any person or entity for any purpose, whatsoever, without our prior written consent, except in accordance with the provisions of the Act and the rules made thereunder and for onward submission to the BSE Limited, National Stock Exchange Limited and National Company Law Tribunal, the Registrar of Companies or other statutory authorities and the concerned tax authorities as may be required. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior written consent.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.012754N/N500016

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by RUSSELL IVAN
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Russell I Parera

Partner

Membership No. 042190

UDIN: 22042190AAAAAK8585

Place: Mumbai

Date: February 1, 2022

For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W

Rajen
Ratansi
Ashar

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Rajen Ashar

Partner

Membership No. 048243

UDIN: 22048243AAAABX2736

Place : Mumbai

Date : February 1, 2022

Appendix 1

18. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

- 18.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts, with effect from the Appointed Date, as under:
- (A) The amalgamation of the Transferor Company shall be accounted for in accordance with “Pooling of Interests Method” as per the Accounting Standard (AS) 14, ‘Accounting for Amalgamations’ as prescribed under Section 133 of the Act.
 - (B) All assets, liabilities and reserves (whether capital or revenue or arising on revaluation), of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.
 - (C) The debit balance of the profit and loss account of the Transferor Company shall be aggregated with the balance of the profit and loss account of the Transferee Company.
 - (D) All inter-corporate deposits, loans, investments and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf. For the removal of doubt, there will be no accrual of interest or other charges in respect of any such inter-company loans, advances or outstanding balances with effect from the Appointed Date.
 - (E) The difference between the share capital of the Transferor Company and the value of investment in the Transferor Company by the Transferee Company shall be debited / credited (as the case may be) to a capital reserve.
 - (F) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 ‘Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies’, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of a consistent accounting policy.

PART C

REDUCTION OF SECURITIES PREMIUM ACCOUNT

19. REDUCTION OF SECURITIES PREMIUM ACCOUNT

Immediately after Part B of this Scheme becoming effective and with effect from the Appointed Date:

- 19.1. The debit balance in the capital reserve arising pursuant to the amalgamation of the Transferor Company with the Transferee Company on the Appointed Date, pursuant to Clause 18.1 above, shall be set-off against the Securities Premium Account of the Transferee Company.

**NARENDRA
GANGAN**

Digitally signed by NARENDRA GANGAN
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The joint statutory auditors have digitally signed this statement for identification purposes only and this Statement should be read in conjunction with our certificate dated February 1, 2022.

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