

Notice

Notice is hereby given that the Extraordinary General Meeting (EGM) of NSDL e-Governance Infrastructure Limited will be held on Monday, December 4, 2017 at 10.00 a.m at the Registered Office of the Company, located at 1st Floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, to transact the following business:

SPECIAL BUSINESS:

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

“**RESOLVED THAT** as per the recommendation of Nomination and Remuneration Committee and the Board pursuant to section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 and Rules notified thereunder as amended from time to time read with Schedule-V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Gagan Rai as the Managing Director & Chief Executive Officer of the Company for a further term of three years w.e.f. February 18, 2018 at a remuneration payable as set out at Item No 1 of the Explanatory Statement annexed to this Notice, other existing terms and conditions remaining same and shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** Managing Director & CEO will also be entitled for any ex-gratia payment and any other benefits granted to the employees of the Company as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.”

“**RESOLVED FURTHER THAT** the Board of Directors on the recommendation of the Nomination & Remuneration Committee of the Board be and is hereby authorised to alter and vary the terms and conditions including remuneration from time to time within the limits specified under the Companies Act, 2013, or any amendments thereto or re-enactments thereof, as may be agreed to by the Board of Directors and Mr. Gagan Rai and to do all acts, deeds and things to give effect to the above resolution.”

“**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorised to complete all the formalities to give effect to the appointment.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, regulations of the Securities and Exchange Board of India as may be applicable, the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the members be and are hereby accorded respectively to the ' NSDL e-Governance Infrastructure Limited - Employee Stock Option Plan 2017' (“ESOP 2017” / “Plan”)and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee and any Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer, and grant up to 4,00,000 (Four lakhs) employee stock options to the eligible employees of the Company, determined in terms of ESOP 2017, from time to time, in one or more tranches, exercisable in aggregate up to not more than 4,00,000 (Four lakhs) equity shares of the Company, where each such option would be exercisable for one equity share of a face value of Rs.10/- each fully paid-up on payment of the requisite exercise price to the Company, and on such terms and conditions as may be determined by the Board in accordance with the provisions of the Plan and provisions of applicable law/s as may be prevailing at that time.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required upon exercise of options from time to time in accordance with the ESOP 2017 and that such equity

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shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the aforesaid ceiling of the employee stock option/ equity shares shall be deemed to increase to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2017 or any employee stock options granted thereunder, as it may deem fit, from time to time in conformity with the provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, regulations of the Securities and Exchange Board of India as may be applicable, the Memorandum and Articles of Association of the Company and any other applicable laws subject to approval of Shareholders by way of Special Resolution, wherever required.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.”

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, regulations of Securities and Exchange Board of India as may be applicable, the Memorandum and Articles of Association, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee and any authorized Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant such number of employee stock options to the eligible employees of the Subsidiary Companies (existing and in future) and Holding Company (existing and in future) of the Company, determined in terms of the 'NSDL E-Governance Infrastructure Limited - Employee Stock Option Plan 2017' ("ESOP 2017"), from time to time, in one or more tranches, exercisable in aggregate, into equal number of equity share of face value of Rs.10/- each fully paid up, and on such terms and conditions as may be determined in this behalf in accordance with provisions of the ESOP 2017 and the provisions of applicable law as may be prevailing at that time.”

By Order of the Board of Directors
For NSDL e-Governance Infrastructure Limited

Registered Office :
1st Floor, Times Tower,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

Sd/-
Maulesh Kantharia
Company Secretary

Dated : October 27th, 2017

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Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A Proxy form is enclosed. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY- EIGHT HOURS before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified true copy of the Board Resolution / copy of Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxies/authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Further, Proxy Holder(s) are also required to bring proof of identity documents.
4. Explanatory Statement pursuant to section 102 of the Companies Act, 2013, is annexed to this notice.
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Extraordinary General Meeting of the Company.

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 1

Mr. Gagan Rai, Managing Director & CEO of the company who was appointed for a period of five years w.e.f. February 18, 2013 will be completing his tenure as Managing Director & CEO on February 17, 2018.

Considering his vast experience, knowledge and gestation of various new projects undertaken by the Company, the Nomination & Remuneration Committee recommended extension of term of Mr. Gagan Rai as MD & CEO for a further term of three years w.e.f. February 18, 2018 at a remuneration of Rs. 18 lacs per month, other terms and conditions remaining same. The Board has also approved the said reappointment and recommended the same to the members for their approval on following terms of appointment.

A. Tenure

3 years w.e.f. February 18, 2018

B. Salary

I. The MD & CEO shall be entitled to a salary of Rs. 18,00,000 per month, inclusive of all allowances.

Annual increments to be decided by the Nomination & Remuneration Committee, subject to a ceiling of Rs. 1,00,000 per annum w.e.f. February 1 every year.

Annual Performance Linked Incentive (PLI) as may be determined by the Nomination & Remuneration Committee, subject to a maximum of 75% of annual salary.

II. In addition to the above, the MD & CEO shall be entitled to the following:

- a. Unfurnished housing accommodation;
- b. Medical benefits equal to one month's salary every year for self, spouse and dependent children;
- c. Leave Travel Allowance equal to one month's salary every year for travel by the MD & CEO and his family;
- d. Personal Accident Insurance cover for the MD & CEO as for the other staff of the Company.
- e. A Company car with driver;
- f. Telephone facility at the residence;
- g. Contribution to Provident Fund, Superannuation, Gratuity and Leave Encashment as per Staff Rules of NSDL e-Gov; for all these purposes, his appointment as MD & CEO will be taken as continuation of service.
- h. The company will pay fees of clubs, subject to a maximum of two clubs; life membership fee will not be allowed; and
- i. The company will reimburse entertainment expenses actually and properly incurred by the MD & CEO for the purpose of the Company's business.

The MD & CEO shall also be entitled to such other benefits including ex-gratia as are made available by the Company to members of the staff from time to time.

Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Gagan Rai as MD & CEO, the Company has no profits or the profits

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of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.”

Pursuant to section 196 and other applicable provisions of the Companies Act, 2013, the said appointment is now being placed before the members for their approval.

None of the directors or Key Managerial Personnel of the Company except Mr. Gagan Rai is concerned or interested in Item No. 1 of the Notice. The Board recommends the Ordinary Resolution as set out at Item No. 1 for approval of the Members.

ITEM NO. 2 & 3

The Company appreciates the critical role its employees play in the organizational growth. It strongly feels that the value created by its employees should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior and critical talents, the Company is intending to issue employee stock options under 'NSDL E-Governance Infrastructure Limited - Employee Stock Option Plan 2017' ("ESOP 2017" / "Plan") to the employees and Directors of the Company, its Subsidiary Companies and its Holding Company, whether existing or future.

As per prevailing rules, approval of the members is required for implementation of the Plan.

Particulars as required under Section.62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are given below:

a) Total number of options to be granted :

A total of 4,00,000 (Four lakhs) options would be available for being granted to the eligible employees of the Company under ESOP 2017. Each option when exercised would be converted into one equity share of face value of Rs. 10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date. The Board (which term deems to include the "Nomination and Remuneration Committee" of the Board as per terms of the Plan) is authorized to re-grant such lapsed / cancelled options as per the ESOP 2017.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares issued.

b) Identification of classes of employees entitled to participate in the Plan:

Employee entitled to participate in the Plan shall be: (i) a permanent employee working in or out of India; or (ii) a whole-time or executive director, of the Company, its subsidiaries, present or future, or its holding company, but does not include:

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- i. an employee who is a Promoter or a person belonging to the Promoter Group;
- ii. a Director who either by himself /herself or through his/her relatives or through anybody corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company; and
- iii. an Independent Director of the Company, Subsidiaries or Holding Company of the Company within the meaning of the Companies Act.

c) Appraisal Process for determining the eligibility of the employees to employee stock options:

The options shall be granted to the employees as per performance appraisal system of the Company or where the Board may determine the eligibility criteria for the employees under the ESOP 2017 based on their evaluation on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate by it.

d) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of options granted shall vest in not earlier than 1 (one) year and not more than 4 (four) years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

e) The maximum period within which the options shall be vested:

The options granted shall vest in not more than 4 (four) years from the date of grant of such options.

f) Exercise price or pricing formula:

The Exercise Price shall be the Fair Market Value as on the date of grant of Options.

g) Exercise Period and the process of exercise:

In case of continuation of employment, exercise period in respect of an option shall commence after vesting of such option or date of listing of shares of the Company, whichever is later and shall expire subject to a maximum period of 5 (five) years from date of vesting. The Board may determine the exercise period in case of grant of option subject to ceiling specified herein.

In case of cessation of employment due to any reason, shorter exercise periods have been respectively prescribed in the Plan.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

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h) Lock-in period :

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under any policy of the Company on disposal of Company securities and provisions of applicable laws particularly after listing of securities of the Company.

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

Number of options that may be granted to any individual employee under the ESOP 2017 shall not exceed 4,00,000 (Four lakhs).

j) Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the options granted.

k) The conditions under which option vested in employees may lapse:

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

l) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

In case of resignation/ termination (other than due to misconduct) prior to listing of shares, all the vested options as on that date can be exercised by the employee only within the time period that shall be notified by the Board in connection with listing of shares of the Company.

In case of resignation/ termination (other than due to misconduct) after listing of shares, the vested options can be exercised by the employee by his/her last working day in the Company.

m) Disclosure and Accounting Standards:

The Company shall comply with the disclosure and the accounting standards prescribed as per prevailing Accounting guidelines and upon listing of securities of the Company, the Company shall comply with the accounting standards and disclosure requirements as prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

As the Plan provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 by way of a special resolution.

A draft copy of the ESOP is available for inspection at the Company's Registered Office during official hours on all working days till the date of the Extraordinary General Meeting.

In terms of Rule 12(4)(a) of the Companies (Share Capital and Debentures) Rules, 2014, the approval of shareholders by way of separate resolution is required to be obtained by the company in case of grant of option to employees of subsidiary or holding company hence a separate resolution is placed before the members.

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None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in these resolutions, except to the extent of the securities that may be offered to them under the Plan.

The Board recommends the Special Resolutions as set out at Item No. 2& 3 of the accompanying Notice for the approval for the Members.

By Order of the Board of Directors
For NSDL e-Governance Infrastructure Limited

Sd/-

Maulesh Kantharia
Company Secretary

Registered Office :

1st Floor, Times Tower,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

Dated : October 27th, 2017