Debenture Redemption Reserve Policy

Version	Date of Approval	Approved by	Remarks /Summary of Changes
Ver 1	08 May 2018	Board of Directors	Initial Policy
Ver 2	02 Feb 2021	Board of Directors	• Incorporated a separate table on "Documentation Control and Classification." • Incorporated Introduction as separated heading and bringing reference of all applicable regulations. • Bringing reference to the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') issued by the Ministry of Corporate Affairs (MCA) w.r.t. applicability of debenture redemption reserve. • Updated the present stipulation of IRDAI w.r.t. debenture redemption reserve • Bringing reference of SEBI (Issue and listing of Debt Securities Regulation 2008) w.r.t. debenture redemption reserve • The clause has been incorporated for defining the frequency for review of policy.
Ver 3	31-Jan-2022	Board of Directors	• No Change
Ver 4	06-Feb-2023	Board of Directors	• No Change
Ver 5	14-Feb-2024	Board of Directors	• No Change
Ver 6	XX-Jan-2025	Board of Directors	• Clause 1 & Clause 3: Updated the reference of IRDAI (Other Forms of Capital) Regulations, 2022 • Clause 1 to Clause 6: Certain language changes are made to make the document precise

Ver 7	21-Jan-2026	Board of Directors	• No Change

Document Control and Classification

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Department:	Finance & Accounts	
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Prepared by	**Reviewed by**	**Approved by**
Head Financial Controller 06-Jan-2026	Chief Finance Officer 06-Jan-2026	Board of Directors 21-Jan-2026

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Debenture Redemption Reserve Policy

1. Introduction

This Policy is prepared with objective to regulate the creation of Debenture Redemption Reserve (DRR for short) of IndiaFirst Life Insurance Company Limited (The Company) in compliance with the various applicable laws, including those under the Companies Act, 2013, IRDAI (Other Forms of Capital) Regulations, 2022 and SEBI (Issue and Listing of Debt Securities) Regulations 2008, including any amendments in the above acts/regulations/ guidelines from time to time.

2. Companies Act 2013

The Companies (Share Capital and Debentures) Rules, 2014 ('Rules') issued by the Ministry of Corporate Affairs (MCA) on 27th March 2014, requires companies to create DRR. The amendment to these rules in 2019 has changed the requirement for creation of DRR or to Invest / Deposit a portion in the manner specified in the rules.

As per Section 18(7) of Companies (Share Capital and Debentures) Amendments Rules 2019 dated August 16, 2019, as amended from time to time, DRR is not required for listed companies. However, the amount credited to DRR prior to the above amendment shall not be utilized by the company except for the purpose of redemption of debentures.

Based on the above amendment, the requirements of creation of debenture redemption reserve is not applicable to IndiaFirst Life Insurance Company Limited. The Company shall comply with following provisions;

Invest or deposit, as the case may be, a sum which shall not be less than fifteen per cent., of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits given below:

(A) in deposits with any scheduled bank, free from any charge or lien;
(B) in unencumbered securities of the Central Government or any State Government;
(C) in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
(D) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:
Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of that year.

Provided that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year.

3. IRDAI Regulation

The IRDAI (the Authority) had permitted insurers to raise capital in other forms such as preference shares or subordinated debt, by issue of IRDAI (Other Forms of Capital) Regulations, 2022 issued on December 5, 2022. Pursuant to creation of DRR as envisaged in Section 71 of the Companies Act, 2013, the Authority is inclined to advise as below:

Insurers which have raised capital by issue of Debentures, shall create DRR in accordance with the Companies Act, 2013 and Rules made thereunder.

The Debenture Redemption Reserve shall be ignored and not considered as a liability for the purpose of computation of solvency margin and ratio.

4. SEBI (Issue and listing of Debt Securities) Regulations 2008

Regulation 16 (Debenture Redemption Reserve)

(1) For the redemption of the debt securities issued by a company, the issuer shall create debenture redemption reserve in accordance with the provisions of the Companies Act, 2013 and circulars issued by Central Government in this regard.

Regulation 25 (Obligations of Debenture Trustee)

(4) The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities and debenture redemption reserve.

5. Creation of DRR

Considering the relevant legislative and regulatory provisions, the Company is not required to Create Debenture Redemption Reserve. Considering the fact that company has, at present, the NCDs and further has the regulatory provisions under which it can raise sub-debt in future, the policy framework is maintained and will be updated from time to time.

6. Review of the Policy:

The Policy will be reviewed annually or earlier if situation warrants. The revised policy will be placed to the Board for final approval.

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