



RAINBOW CHILDREN'S MEDICARE LIMITED

Corporate Identity Number: L85110TG1998PLC029914

Regd. Office: 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills,
Hyderabad – 500034, Telangana.

Corporate Office: 8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No. 11, Banjara Hills,
Hyderabad - 500034, Telangana.

Website: www.rainbowhospitals.in; **E-Mail:** companysecretary@rainbowhospitals.in

Telephone No: +91 40 49692244

Postal Ballot Notice

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and relevant circulars issued by Ministry of Corporate Affairs]

Dear Shareholder(s),

NOTICE is hereby given to the Shareholders of Rainbow Children's Medicare Limited ("**the Company**") pursuant to Section 108 and 110 of the Companies Act, 2013, (the "**Act**") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and Secretarial Standard - 2 on General Meetings ("**the SS-2**"), as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India ("**MCA Circulars**"), and other applicable laws, rules and regulations, that the resolution as set out in this notice, is proposed for consideration by the Shareholders through postal ballot by remote e-voting only ("**remote e-voting**").

SPECIAL BUSINESS:

Approval of “Rainbow Children’s Medicare Limited – Employees Stock Unit Plan 2023”.

To consider and if thought fit, to pass 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 and the Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (“**SEBI SBEB SE Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), the relevant provisions of the Memorandum and Articles of Association of the Company and such other rules, regulations, circulars and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the “**Applicable Laws**”), 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 approval(s), permission(s) and sanction(s), on the recommendation of the Nomination and Remuneration Committee (“**Committee**”) and the Board of Directors of the Company (“**Board**”), the consent of the shareholders of the Company be and is hereby accorded to the introduction and implementation of “**Rainbow Children’s Medicare Limited – Employees Stock Unit Plan 2023**” (“**Stock Unit Plan 2023**”/ “**Plan**”) and authorizing the Board of Directors of the Company (*hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted*) to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding **4,00,000 (Four Lakhs)** stock units (“**Unit**”) to the eligible employees of the Company as determined by the Board in terms of the plan, working on exclusive basis in or outside India, with the Company, (*other than promoter or person belonging to the promoter group of the Company, Independent Directors and Director(s) holding directly or indirectly more than 10% of the outstanding equity shares of the Company*), exercisable into not more than **4,00,000 (Four Lakhs)** equity shares of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up, where one Unit would convert in to one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Stock Unit Plan 2023.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* 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 etc., if any additional equity shares are issued by the Company, to the Unit grantees for the purpose of making a fair and reasonable adjustment to the employee stock Units granted earlier, the ceiling in terms specified above shall be deemed to be increased 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 Unit grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear 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 grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan on BSE Limited and National Stock Exchange of India Limited or any other stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB SE Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and further subject to consent of the Company by way of special resolution to the extent required under SEBI SBEB SE Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, SEBI SBEB SE Regulations, the Memorandum and Articles of Association of the Company and any other applicable laws in force.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

By Order of the Board

For **Rainbow Children's Medicare Limited**

Ashish Kapil

Company Secretary and Compliance Officer

M. No: A31782

Date: March 18, 2023

Place: Hyderabad

Registered Office:

8-2-120/103/1, Survey No. 403, Road No. 2,
Banjara Hills, Hyderabad – 500034, Telangana.

CIN: L85110TG1998PLC029914; **E-Mail:** companysecretary@rainbowhospitals.in

Website: www.rainbowhospitals.in; **Telephone No:** +91 40 49692244

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“**the Act**”) read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and other applicable provisions, if any, setting out material facts and reasons relating to the aforesaid resolution, is annexed hereto and forms part of this Postal Ballot Notice (“**Notice**”).
2. In compliance with the MCA Circulars, the Company is sending this Notice only in electronic form to those Members whose names appear on the Register of Members/ List of Beneficial Owners as on Friday, March 31, 2023, (“**Cut-off date**”) as received from National Securities Depository Limited (“the **NSDL**”) and Central Depository Services (India) Limited (“the **CDSL**”) (collectively referred to as “**Depositories**”). A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

Those Members who have not yet registered their e-mail addresses are requested to get their e-mail addresses registered by following the procedure given under the e-voting instructions.

3. The Notice is also placed on the website of the Company at www.rainbowhospitals.in and on the website of NSDL at www.evoting.nsdl.com and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com.
4. All relevant documents referred to in this Notice will be open/ available for inspection through electronic mode by the Members of the Company during working hours on all working days upto and including the last day for remote e-Voting i.e., Saturday, May 6, 2023. Any member seeking to inspect the documents can send an e-mail to companysecretary@rainbowhospitals.in with subject line “**Inspection of Documents**” from their registered email address mentioning their Name, Folio Number/ DP ID & Client ID.
5. As per the MCA Circulars, physical copies of the Notice are not being sent to the members for this Postal Ballot. The communication of the assent or dissent of the Members would take place through the process of remote e-Voting only.
6. In compliance with the MCA Circulars, Section 108 and 110 of the Act read with the Rules made thereunder and Regulation 44 of the SEBI LODR Regulations, the Company is providing remote e-voting facility to seek the approval of Shareholders of the Company

for the resolution contained in this Notice. For this purpose, the Company has entered into an agreement with NSDL for facilitating remote e-voting to enable the Shareholders to cast their votes electronically (hereinafter referred to as the “**remote e-Voting/ e-Voting**”). The instructions for e-voting are provided as part of this Notice, the members are requested to read the e-voting instructions carefully before casting their vote.

7. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the cut-off date will only be entitled to vote on the Resolution(s) set forth in this Notice. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
8. The remote e-voting period begins on Friday, April 7, 2023, at 9:00 A.M. and ends on Saturday, May, 6, 2023 at 5:00 P.M. The remote e-voting facility will be disabled by NSDL immediately thereafter and voting shall not be allowed beyond the said time and date. Once the vote on the resolution is cast by the Shareholders, they shall not be allowed to change it subsequently or cast their vote again.
9. The Board of Directors (“the **Board**”) of the Company have appointed Mr. Ankit Singhi (CP No. 16274) failing him Mr. Nitesh Latwal (CP No. 16276), Practicing Company Secretaries and Partners of M/s PI & Associates, Company Secretaries, as Scrutinizer to scrutinise the remote e-voting process in a fair and transparent manner.
10. Upon completion of the scrutiny of the votes cast, the Scrutinizer will submit his report to the Chairperson of the Company or to any other person authorized by him not later than two (2) working days from the conclusion of e-voting.
11. The results of e-voting will be announced on or before Tuesday, May 9, 2023, and the same will be placed on the Company’s website at www.rainbowhospitals.in and on the website of NSDL at www.evoting.nsdl.com. The results shall also be communicated to the Stock Exchanges i.e. BSE and NSE at www.bseindia.com & www.nseindia.com respectively, where the equity shares of the Company are listed.
12. The resolution(s), if passed by the requisite majority, shall be deemed to have been passed on the last date of the remote e-voting process i.e., Saturday, May 6, 2023

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “**Two Steps**” which are mentioned below:

Step 1: Access to the NSDL e-voting system.

Step 2: Cast your vote electronically on NSDL e-voting system.





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="555 1010 1396 1599">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. <li data-bbox="555 1666 1396 1854">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="555 1921 1396 2007">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either

	<p>on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi/ Easiest facility, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users of Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login, the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system

	<p>of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note:Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc.

with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@piassociates.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter, etc. by clicking on “Upload Board Resolution/ Authority Letter” displayed under “e-Voting” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or send a request at evoting@nsdl.co.in or contact Ms. Prajakta Pawle, Officer, NSDL at evoting@nsdl.co.in or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or write at NSDL, 4th floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting and obtaining copy of the notice:

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to companysecretary@rainbowhospitals.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Shareholders to take note that the equity-based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives.

The Company believes that equity-based compensation plans are effective tools to attract, reward key talents working at critical positions and retain such talent exclusively working for the Company's growth.

At this juncture, the Company has transited to the next phase of leveraging market opportunities, business growth including addressing of business competitions which resulted in consistent demand for talents for critical roles. Apart from this, emergence of new skillsets relevant for the Company's business has resulted in changed dynamics of the talent market. This has necessitated in bringing out a meaningful reward strategy for attraction of new talents and retention of both existing and new critical resources in leadership positions, or holding critical roles as required in businesses. Further, given the nature of business, the Company is required to stay aligned with the sector/ industry wherein most of the cases, equity compensation is made attractive for eligible personnel with deep discount from the prevailing market price.

Given the background above, the Company proposes to implement an employee stock units plan namely '**Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023**' ("**Stock Unit Plan 2023**"/ "**Plan**") contemplating grant of stock units ("**Units**") at face value of equity shares of the Company to a select band of employees being responsible for critical business operations. At the same time, the Company is aware that any discount should be compensated with appropriate vesting conditions based on achievement of mandatory corporate performance targets. Thus, vesting of Units shall be subject to mandatory performance conditions as elaborated at point number (d) below. Further, grant of number of Units per eligible employee (under one or multiple grants taken together) is proposed to be limited as specified at point number (i) below with a view to maintain minimal adequacy/ attractiveness yet avoiding concentration in the hands of few personnel. Also, Units granted at face value is known to have lower equity dilution for existing shareholders.

Accordingly, the Nomination and Remuneration Committee of the Company (“**Committee**”) and the Board of Directors of the Company at their respective meetings held on March 18, 2023, had approved the introduction of the Stock Unit Plan 2023, subject to Shareholders approval.

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, (“**SEBI SBEB SE Regulations**”), the implementation of employee stock unit plan requires prior approval of the shareholders by way of special resolution. Accordingly, the approval of shareholders is being sought for implementation of Stock Unit plan 2023.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 6 of the SEBI SBEB SE Regulations, the salient features of the Plan are given as under:

a) Brief Description of the Stock Unit Plan 2023:

The Stock Unit Plan 2023 contemplates grant of Units to the eligible employees (including Directors) as defined in the Stock Unit Plan 2023 as may be determined in due compliance with SEBI SBEB SE Regulations and provisions of the Stock Unit Plan 2023. After vesting of Units, the eligible employees earn a right (but not obligation) to exercise the vested Units within the predefined exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The main objectives of the Plan are:

- (i) to achieve sustained growth of the Company and create shareholder value by aligning the interests of the eligible employees with the long-term interests of the Company;
- (ii) to attract and retain talent and as well as to motivate the eligible employees to the growth and profitability of the Company;
- (iii) to recognize and reward the efforts of eligible employees and their continued association with the Company; and
- (iv) to enable the eligible Employees to have greater involvement in the Plan of the Company and provide them an opportunity to share in the future growth and profitability of the Company, which should lead to improved employee engagement, motivation, and retention.

The Committee shall administer the Stock Unit Plan 2023. All questions of interpretation of the Stock Unit Plan 2023 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Stock Unit Plan 2023.

b) Total number of Units to be granted:

The total number of Units to be granted under the Stock Unit Plan 2023 shall not exceed **4,00,000 (Four Lakhs)**. Each Unit when exercised would be converted in to one equity share having face value of ₹ 10/- (Rupees Ten Only) each fully paid-up.

Further, SEBI SBEB SE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Units granted. In this regard, the Committee shall adjust the number and price of the Units granted in such a manner that the total value of the Units granted under the Stock Unit Plan 2023 remain the same after any such corporate action. Accordingly, if any additional Units are issued by the Company to the Unit grantees for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional Units issued.

c) Identification of classes of employees entitled to participate in the Stock Unit Plan 2023:

Subject to determination or selection by the Committee, following classes of employees/ Directors are eligible being:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; and
- (ii) a Director of the Company, 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.

but does not include –

- (i) an employee who is a promoter or belongs to the promoter group; and
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

d) Requirements of Vesting and period of Vesting:

All the Units granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than maximum vesting period of **5 (Five) years** from the date of grant.

Unless otherwise determined by the Committee, the specific Vesting schedule for any Grant shall be as follows:

Dates of Vesting	Vesting of Units
1st Anniversary from the date of Grant	20% of the Units Granted
2nd Anniversary from the date of Grant	20% of the Units Granted
3rd Anniversary from the date of Grant	20% of the Units Granted
4th Anniversary from the date of Grant	20% of the Units Granted
5th Anniversary from the date of Grant	20% of the Units Granted

Units shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB SE Regulations. Apart from this, the vesting of Units shall be subject to achievement of mandatory corporate performance conditions such as increase in revenue & profits, delivering on key strategic initiatives, shareholders value creation, and such other conditions as may be determined by the Committee. The Committee shall have power to select the performance parameters for an employee or class thereof depending on the specific roles and the relative weightages assigned to each parameter. The specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter of Grant issued to the Unit Grantee at the time of Grant.

e) Maximum period within which the Units shall be vested:

All the Units granted on any date shall vest not later than the maximum period of **5 (Five) years** from the date of grant.

f) Exercise price or pricing formula:

The exercise price per Unit shall be the face value of equity shares of the Company as on grant date.

g) Exercise period and the process of exercise:

The exercise period in respect of the vested Units shall be subject to a maximum period of **3 (Three)** months from the date of each vesting.

The vested Unit shall be exercisable by the Unit grantees by a written application to the Company expressing his/ her desire to exercise such Units in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Units shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Unit grantee. The Units shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Stock Unit Plan 2023:

The appraisal process for determining the eligibility of the employees will be based on position, sector, designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee.

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

The maximum number of Units under the Stock Unit Plan 2023 that may be granted to any employee in aggregate shall not be more than 3,00,000 (Three Lakhs) Units.

j) Maximum quantum of benefits to be provided per employee under the Stock Unit Plan 2023:

The maximum quantum of benefits that will be provided to any eligible employee under the Stock Unit Plan 2023 will be the difference between the market value of Company's equity shares on the Stock Exchanges as on the date of exercise of units and the exercise price paid by the employee.

Apart from grant of Units as stated above, no other benefits are contemplated under the Stock Unit Plan 2023.

k) Whether the Stock Unit Plan 2023 is to be implemented and administered directly by the Company or through a Trust:

The Stock Unit Plan 2023 shall be implemented and administered directly by the Company.

l) Whether the Stock Unit Plan 2023 involves new issue of shares by the Company or secondary acquisition by the Trust or both:

The Stock Unit Plan 2023 contemplates issue of fresh/ primary equity shares by the Company.

m) Amount of loan to be provided for implementation of the plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the Stock Unit Plan 2023.

n) Maximum percentage of secondary acquisition:

This is currently not contemplated under the Stock Unit Plan 2023.

o) Statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB SE Regulations:

The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SEBI SBEB SE Regulations.

p) Method of Unit valuation:

The Company shall adopt 'fair value method' for valuation of Units as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

q) Declaration:

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Units and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Board's Report.

r) Period of lock-in:

The equity shares issued pursuant to exercise of vested Units shall not be subject to any lock-in period restriction in general. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

s) Terms & conditions for buyback, if any, of specified securities/ Units covered granted under the Stock Unit Plan 2023:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of the specified securities/ Units if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

A draft copy of the Stock Unit Plan 2023 is available for inspection electronically at the Company's registered office / corporate office during official hours on all working days till the last date of the remote e-voting.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Units under the Stock Unit Plan 2023.

The Board recommends the resolution as set out in this notice, for approval of the Shareholders by way of a Special Resolution.

By Order of the Board
For **Rainbow Children's Medicare Limited**

Ashish Kapil
Company Secretary & Compliance Officer
M. No: A31782

Date: March 18, 2023

Place: Hyderabad