

HDFC ERGO General Insurance Company Limited



By Hand Delivery

HDFCERGO/SLC/DK/2017-18/48

August 16, 2017

BSE Limited,
1st Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001

Sir/ Madam,

Sub: Merger of HDFC ERGO General Insurance Company Limited with HDFC General Insurance Limited (Formerly L&T General Insurance Company Limited)

We wish to inform you that the National Company Law Tribunal, Mumbai Bench (NCLT) vide Order dated June 23, 2017 approved the Scheme of Arrangement ("Scheme") for merger of HDFC ERGO General Insurance Company Limited ("Transferor Company") with HDFC General Insurance Limited ("Transferee Company").

Further, in terms of provision of Regulation 8 of the IRDA (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011, the Insurance Regulatory and Development Authority of India (IRDAI) vide letter dated August 14, 2017 gave its final approval for the said merger.

The Appointed Date and the Effective Date for the Merger is January 1, 2017 and August 16, 2017 respectively.

With effect from the Appointed Date, the entire undertaking of the Transferor Company including but not limited to all assets, properties, liabilities, contracts, employees, legal and other proceedings has been transferred to and vested in the Transferee Company on a going concern basis.

With effect from the Effective Date, the Transferor Company has been dissolved without winding-up and the name of the Transferee Company has been changed to "HDFC ERGO General Insurance Company Limited".

Please find enclosed a certified copy of the following:

1. Order of NCLT along with Scheme;
2. Approval letter of IRDAI;
3. Certificate of Incorporation issued by the Ministry of Corporate Affairs, Office of the Registrar of Companies, Mumbai, pursuant to Name change.

Request you to kindly take the same on record.

A blue ink handwritten signature, possibly of a representative of HDFC ERGO, located at the bottom left of the page.

CIN: U66030MH2007PLC177117. (Formerly HDFC General Insurance Limited from Sept 14, 2016 and L&T General Insurance Company Limited upto Sept, 13, 2016).

Registered & Corporate Office: 1st Floor, HDFC House, 165 - 166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020. Customer Service Address: 6th Floor, Leela Business Park, Andheri Kurla Road, Andheri (E), Mumbai – 400 059. Tel.: +91 22 6638 3600 | Fax: 91 22 6638 3699 | care@hdfcergo.com | www.hdfcergo.com. IRDAI Reg No. 146.

HDFC ERGO General Insurance Company Limited



We wish to place on record our appreciation for the co-operation and support extended by you and expect that the same will be extended in future.

Thanking You,

Yours truly,

For HDFC ERGO General Insurance Company Limited


Dayananda V. Shetty

Executive Vice President – Legal & Compliance and Company Secretary

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI
BENCH, MUMBAI

COMPANY PETITION NO. 279 OF 2017

HDFC GENERAL INSURANCE
LIMITED

... PETITIONER/ TRANSFEREE
AND

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI
BENCH, MUMBAI

COMPANY PETITION NO. 280 OF 2017

HDFC ERGO GENERAL INSURANCE
COMPANY LIMITED

... PETITIONER/ TRANSFEROR

In the matter of Companies Act, 2013
(including any statutory re-enactments,
amendments or modifications thereof)

AND

In the matter of Sections 230 to 232 of
the Companies Act, 2013 (including any
statutory re-enactments, amendments or
modifications thereof)

AND

In the matter of Scheme of Arrangement
between HDFC ERGO General
Insurance Company Limited
("Transferor")

AND

HDFC General Insurance Limited
("Transferee")

AND

Their respective shareholders and
creditors

Called for Final Hearing

Mr. Sameer Pandit along with Ms. Madhupreetha Elango i/b. Wadia

Shetty & Co., Advocates for the Petitioners.

Mr. Ganesh Gholap, Assistant Director, for the Regional Director.



CERTIFIED TRUE COPY
For HDFC ERGO General Insurance Company Limited

Dayananda V. Shetty
Executive Vice President - Legal & Compliance and Company Secretary
FCS 4638

Coram: Ina Malhotra, Hon'ble Member (Judicial)

Date: June 23, 2017

MINUTES OF ORDER

1. Heard learned Advocates appearing for the Petitioners. No objector has come before this Hon'ble Tribunal to oppose the Scheme, nor has any party controverted any averments made in the captioned Petitions.
2. The sanction of the Court is sought under Sections 230 to 232 of the Companies Act, 2013, to the Scheme of Arrangement ("Scheme of Arrangement") for the merger of HDFC ERGO General Insurance Company Ltd. ("Transferor") into HDFC General Insurance Ltd. ("Transferee").
3. Learned Advocate for the Petitioners, submits that the Transferor is licensed to carry on the business of providing general insurance in India, by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Transferee is a wholly owned subsidiary of the Transferor, which is also licensed to carry on the business of providing general insurance in India by IRDAI.
4. The Scheme of Arrangement will result in *inter alia* the following benefits (i) consolidation of the business of the Transferor and the Transferee, leading to synergy in operations, greater financial strength, and improving the position of the merged entity by offering unified yet comprehensive services to the customer(s); (ii) achieving higher long term financial returns and will make available the assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of both the Transferor and the Transferee leading to synergistic benefits, enhancement of future business potential, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value; (iii) rationalization and standardization of the business processes, economies of scale, corporate and administrative efficiencies thereby further enhancing the overall shareholder value.



5. The Learned Advocate for the Petitioners states that the Board of Directors of the Petitioners have approved the Scheme of Arrangement in their Board Meeting and extract of the resolutions passed in this regard are annexed to the respective Company Scheme Petitions.
6. The Learned Advocate for the Petitioners states that Petitioners have complied with all the requirements as per the directions of this Hon'ble Tribunal and have filed necessary affidavit(s) of compliance in this Hon'ble Tribunal. Moreover, the Petitioners through its Advocate undertakes to comply with all statutory requirements, if any, as required under Companies Act, 2013 and the Rules made thereunder, as applicable. The said undertaking is accepted.
7. The Official Liquidator has filed its Report on March 17, 2017 stating therein that the affairs of the Transferor have been conducted in a proper manner and that the Transferor may be ordered to be dissolved by this Hon'ble Tribunal.
8. The Regional Director vide its Report dated April 28, 2017 has stated therein that save and except as stated in paragraphs IV (1) to (9) of the said Report, it appears, according to the Regional Director, that the Scheme of Arrangement is not prejudicial to the interest of shareholders and public. The aforesaid paragraphs IV (1) to (9) read as under:

"IV. The observations of the Regional Director on the proposed Scheme to be considered are as under:-

1. *The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*



2. The Petitioner Companies have submitted the proof of serving notice, upon the Income Tax Authorities dated 16.02.2017 for comments. This Directorate has also issued a reminder letter to the Income Tax Department dated 28.04.2017.
3. Petitioner in clause 6 of the Scheme has inter alia mentioned that Transferee Company has significant accumulated losses which have adversely affected its net worth. Hence, in order to restructure the Balance Sheet and portray a clearer picture of the financial position and net worth, it is proposed that part of the accumulated losses of the Transferee Company be set-off against the paid-up equity share capital of the Transferee Company.

The accumulated losses amounting to Rs. 207,00,00,000/- shall be adjusted against the issued, subscribed and paid-up equity share capital of Transferee Company by cancellation of 20,70,00,000 equity shares of Rs.10/- each.

The reduction in the issued, subscribed and paid-up equity share capital of the Transferee Company as above, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 100 to 103 and any other applicable provisions of the Act. The order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

Further Petitioner Company vide its letter dated 13.02.2017 has mentioned that subsequent to the approval of the Board of the Scheme the Petitioner Companies became aware that the net worth of the Transferee Company is lower by an amount of Rs.14.39 Crore. Therefore they are proposing to amend clause 6 to cancel 22,13,90,000 equity shares of Rs.10/- each for writing off accumulated losses amounting to Rs. 221.39,00,000/-

In this regard it is submitted that the reduction of capital is not



the integral part of the Scheme. The Scheme has been made for both merger and reduction. Petitioner Company is also proposing for amendment in the Scheme as above. Hence it is a composite Scheme of Amalgamation and Arrangement. Therefore, approval of Hon'ble NCLT is required for both reduction and amendment in Scheme

4. *Petitioner in clause 11 has inter alia mentioned that upon the coming into effect of the Scheme, the Transferee Company shall formulate an employee stock option scheme by adopting the same terms and conditions as were applicable to the employee stock options ("ESOPs") granted by the Transferor Company under its Employee Stock Option Scheme 2009 (the "Transferor Company Option Scheme").*

In this regard Petitioner has to undertake to comply with the applicable provisions of Companies Act, 2013.

5. *Petitioner in clause 12 of the Scheme has inter alia mentioned that upon the Scheme becoming effective, the name of the Transferee Company shall, without any further act, instrument or deed, stand altered to "HDFC ERGO General Insurance Company Ltd."*

In this regard Petitioner has to undertake to comply with provisions of Companies Act, 2013 with regard to availability of name.

6. *The investments in equity shares of Transferee Company, (including any additional investment before the Effective Date) shall be cancelled against the balance remaining in equity share capital of the Transferee Company as per Clause 6.3 of the Scheme (including any increase in equity share capital pursuant to issue of additional shares before the Effective Date). The surplus (if any) of the book value of investments (including any additional investment before the Effective Date) over the balance remaining in equity share capital of the Transferee Company as per Clause 6.3 of the Scheme*



(including any increase in equity share capital pursuant to issue of additional shares before the Effective Date) shall be first adjusted against the profit and loss account of the combined entity and balance (if any) shall be adjusted against the securities premium account of the combined entity.

7. The adjustment (if any) to the securities premium account of the Transferee Company (including securities premium pursuant to merger) and cancellation of the equity share capital pursuant to Clause 14.1(e) shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 100 to 103 and any other applicable provisions of the Act. The order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without imposing a condition on the Transferee Company to add to its name the words, "and reduced".

In regard to point 6 and 7 above, it is submitted that Petitioner Company undertake to mention the clause/ point/para of accounting standard 14 adopted in this regard.

8. Notice not sent to BSE, NSE, Competition Commission, IRDA as per the directions of Hon'ble NCLT.
9. Petitioner in clause 4.1 has inter alia mentioned that Appointed Date means the opening of business on January 1, 2017, or such other date as may be determined by the Board of Directors of the Transferor Company and the Transferee Company, or such other date as may be decided by the High Court.

In this context it is submitted that appointed shall be either the date mentioned in the scheme or such other date as directed by the Hon'ble NCLT.



As regards the observations at paragraph IV(1) of the Regional Director's Report, the Petitioners through their Advocate undertake

to comply with the applicable provisions of the Income Tax Act, 1961 and all issues concerning taxation arising as a consequence of the Scheme of Arrangement shall be dealt with and addressed in accordance with the applicable provisions of the applicable income tax laws.

10. As regards the observations at paragraph IV(2) of the Regional Director's Report, the Petitioners through their Advocate submit that no objection has been received from the Income Tax Authorities and the observation has been duly noted.
11. As regards the observations at paragraph IV(3) of the Regional Director's Report, the Petitioners through their Advocate submit that as regards the modification/ amendment to the Scheme of Arrangement, this Hon'ble Tribunal, vide its Orders dated January 20, 2017 had directed the convening of a meeting of the equity shareholders of the Companies "...for the purposes of considering and if though fit approving, with or without modification(s) the proposed Scheme of Arrangement..." [emphasis supplied]. Pursuant to the said Orders, the equity shareholders were expressly permitted to approve the Scheme of Arrangement, with modification(s). Accordingly, the Scheme of Arrangement was approved by the equity shareholders of the Petitioners, with modifications as deemed fit by the equity shareholders, at the meetings held on March 29, 2017. The said modifications have also been communicated to all authorities and creditors.
12. With further reference to the observations at paragraph IV(3) of the Regional Director's Report, the Petitioners through their Advocate submit that as regards the reduction of capital, the Explanation to Section 230 of the Companies Act, 2013 has clarified that the provisions of Section 66 of the Companies Act, 2013 shall not apply to the reduction of share capital effected in pursuance of the order of the Tribunal under Section 230. In the instant case, the Petitioners have submitted a composite Scheme of Arrangement for merger as well as reduction of share capital under Sections 230 to 232 of the Companies Act, 2013. Accordingly, there is no



requirement to separately follow the procedure under Section 66 of the Companies Act, 2013 for reduction of capital. In any event, the Petitioners through its Advocate submit that by way of abundant caution, the proposal for reduction and reorganization of the share-capital of the Transferee was placed before the shareholders of the Transferee at the extraordinary general meeting held on September 16, 2016 at which time the shareholders of the Transferee passed a special resolution unanimously approving the reduction and reorganization of the share-capital of the Transferee. Furthermore, it is also submitted that the Scheme of Arrangement as well as its provisions for reduction of capital would become effective only upon the sanction of this Hon'ble Tribunal. Accordingly, the Petitioners through its Advocate, submit that all requirements applicable for a composite Scheme of Arrangement involving a reduction of capital have been duly complied with.

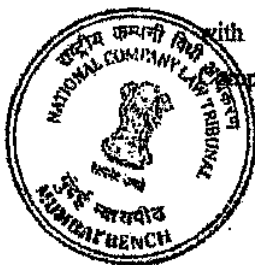
13. As regards the observations at paragraph IV(4) of the Regional Director's Report, the Petitioners through their Advocate undertake to comply with the applicable provisions of the Companies Act, 2013 in respect of the Employee Stock Option Scheme.
14. As regards the observations at paragraph IV(5) of the Regional Director's Report, the Petitioner through their Advocate, undertake to comply with the applicable provisions of the Companies Act, 2013 with regard to availability of name.
15. As regards the observations in paragraphs IV (6) and IV (7) of the Regional Director's Report, the Petitioners through their Advocate, submit that the proposed accounting treatment is adopted in pursuance of paragraphs 10, 11, 16, 33 to 35 of the Accounting Standard (AS) 14 'Accounting for Amalgamations' under the Pooling of Interest Method.



As regards the observations at paragraph IV(8) of the Regional Director's Report, the Petitioners through their Advocate, submit that the Petitioners have served notices upon all the authorities as

directed by this Hon'ble Tribunal vide its orders dated January 20, 2017 and the Petitioners have also filed Affidavits of Service dated March 17, 2017 in this regard.

17. As regards the observations at paragraph IV(9) of the Regional Director's Report, the Petitioners through their Advocate, submit that the Petitioners have no objection to the observations of the Regional Director. Accordingly, the Appointed Date for the Scheme of Arrangement shall be the date mentioned in the Scheme of Arrangement, i.e., January 1, 2017 or such other date as directed by this Hon'ble Tribunal.
18. The Learned Representative for Regional Director, on the instructions from the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Advocate for the Petitioners. The said undertakings given by the Petitioners are accepted.
19. From the material on record, the Scheme of Arrangement appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
20. Since all the requisite statutory compliances have been fulfilled, the captioned Company Scheme Petitions are made absolute in terms of prayer clauses (a) and (b).
21. The Petitioners are directed to lodge a copy of this Order and the Scheme duly certified by the Deputy Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same, within 60 (sixty) days from the date of receipt of the Order.
22. The Petitioners are further directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC 28 in addition to



physical copies as per the relevant provisions of the Companies Act, 2013.

23. The Petitioners to pay costs of Rs.25,000/- each, to the Regional Director, Western Region, Mumbai, within four weeks from the date of receipt of this Order. The Transferor to pay costs of Rs.25,000/- to the Official Liquidator, High Court, Bombay, within four weeks from the receipt of this Order.
24. All concerned regulatory authorities to act on a copy of this order along with the Scheme, duly authenticated by the Deputy Registrar, National Company Law Tribunal, Mumbai Bench.



sd/-
Ina Malhotra, Member (J)

Certified True Copy

Date of Receipt on 30.06.2017

Number of Pages 10

Fee Paid Rs. 50

Applicant called for collection copy on 30/12.07.2017

Copy prepared on 12.07.2017

Copy issued on 12.07.2017

[Signature]
Deputy Director

National Company Law Tribunal, Mumbai Bench

SCHEME OF ARRANGEMENT

**UNDER SECTION 391 TO SECTION 394 OF THE COMPANIES ACT,
1956 AND SECTIONS 100 TO 103 OF THE COMPANIES ACT, 1956**

BETWEEN

**HDFC ERGO GENERAL INSURANCE
COMPANY LIMITED ... TRANSFEROR COMPANY
AND**

**HDFC GENERAL INSURANCE
LIMITED ... TRANSFEREE COMPANY
AND**

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

I. PURPOSE OF THE SCHEME OF ARRANGEMENT
("SCHEME")

This Scheme of Arrangement is presented under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013, Section 78 and Sections 100 to 103 of the Companies Act, 1956, (as amended by the corresponding provisions of the Companies Act, 2013 including any statutory modifications or reenactments thereof) for the merger of HDFC ERGO General Insurance Company Ltd. (PAN: AABCH0738E) ("Transferor Company" or "HDFC ERGO") into HDFC General Insurance Ltd. (PAN: AABCL5045N) ("Transferee Company" or "HDFC GIC Limited").



2. RATIONALE OF THE SCHEME

- 2.1. The Transferor Company is licensed to carry on the business of providing general insurance in India, by the Insurance Regulatory and Development Authority of India ("IRDAI").
- 2.2. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Transferee Company is also licensed to carry on the business of providing general insurance in India by IRDAI.
- 2.3. The proposed Scheme will result in the following synergies:
 - (a) The Scheme will result in the consolidation of the business of the Transferor Company and the Transferee Company, leading to synergy in operations, greater financial strength, and improve the position of the merged entity by offering unified yet comprehensive services to the customer(s) of the Transferor Company and the Transferee Company.
 - (b) The Scheme will assist in achieving higher long term financial returns and will make available the assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of both the Transferor Company and the Transferee Company leading to synergistic benefits, enhancement of future business potential, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value.
 - (c) The Scheme will result in rationalization and standardization of the business processes, economies of scale, corporate and administrative efficiencies, which will contribute to make the Transferee Company profitable, thereby further enhancing the overall shareholder value. For



all of the aforesaid reasons, the Scheme will also be to the overall benefit of the policyholders of the Transferor Company and Transferee Company.

- 2.4. In view of the above, it is proposed that pursuant to Sections 391 to 394 and other relevant provisions of the Act, the Transferor Company be amalgamated/ merged into the Transferee Company, upon which the Transferor Company will stand dissolved without winding up. As a consequence of the arrangement, the equity share capital of the Transferee Company shall stand reorganized in the manner provided for at Part II and Part III of this Scheme.
- 2.5. The merger of the Transferor Company into the Transferee Company pursuant to this Scheme shall take place on and from the Appointed Date (as defined hereinbelow) but shall be effective/ operative on and from the Effective Date (as defined hereinbelow).
- 2.6. The merger of the Transferor Company into the Transferee Company in accordance with the terms of the Scheme shall be in compliance with the applicable provisions of the Income Tax Act, 1961, including Section 2(1B), as a result of which, by virtue of the merger all the assets, properties and liabilities of the Transferor Company existing immediately before the merger, shall become the assets, properties and liabilities of the Transferee Company.
- 2.7. The arrangement is expected to lead to creation of a stronger and larger entity which would be to the benefit of the shareholders of the Transferor Company and the Transferee Company. Moreover, since the arrangement is between a holding company and its wholly owned subsidiary company, the shareholders of the Transferor Company are to be allotted shares of the Transferee Company in the same proportion as



they hold shares in the Transferor Company as of the Record Date. The Swap Ratio is set out at Clause 10.1 of the Scheme, which has been arrived at on the basis of a report of an independent expert. Hence, the Scheme will not prejudicially affect the interests of any shareholder, either of the Transferee Company or the Transferor Company. Moreover, as the Transferee Company is adopting all the assets and liabilities of the Transferor Company and will have sufficient assets to discharge these liabilities, the Scheme will not prejudicially affect the interests of the policyholders or creditors of either the Transferor Company or the Transferee Company.

- 2.8. The arrangement is not a result of any acquisition of property of the Transferor Company by the Transferee Company through purchase or a result of the distribution of such property to the Transferee Company pursuant to the winding up of the Transferor Company.
- 2.9. This Scheme has been drawn up to comply with applicable provisions of law, including the provisions of Section 2(1B) of the Income Tax Act, 1961. In the event any term of this Scheme is found or interpreted for any reason to be inconsistent with the provisions of the law at a subsequent date, including as a result of an amendment of the law, the Scheme shall stand modified to the extent necessary to comply with such amendments. The modification will however not affect other parts of the Scheme.

3. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (a) **PART I**, which is a general section, is further divided into two parts, providing (A) definitions applicable to this Scheme; (B) details of the



share capital and shareholding structure of the Transferor Company and the Transferee Company;

- (b) PART II, which deals with reduction of the Share Capital of the Transferee Company;
- (c) PART III which deals with the provisions and terms based on which the merger of the Transferor Company into the Transferee Company shall take place; and
- (d) PART IV, which deals with general terms and conditions applicable to the Scheme.

PART I

4. DEFINITIONS

- 4.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"Act" means the Companies Act, 1956, the rules and regulations made thereunder and the corresponding provisions of the Companies Act, 2013 and the rules and regulations made thereunder upon their notification, (including any statutory modifications or re-enactments thereof), for the time being in force;

"Appointed Date" means the opening of business on January 1, 2017, or such other date as may be determined by the Board of Directors of the Transferor Company and the Transferee Company, or such other date as may be decided by the High Court;

"Board of Directors" or "Board" shall mean in relation to the Transferor Company and the Transferee Company, as applicable, the



board of directors of such company and shall include any committee which has been duly authorised and constituted for the purposes of the Scheme and/or any matters pertaining to the same;

"Effective Date" means the last of the dates on which the certified copy of the order passed by the High Court of Judicature at Bombay sanctioning the Scheme, is filed by each of the Transferor Company and the Transferee Company with the Registrar of Companies and the final approval of the IRDAI to the sanctioned Scheme is granted. References herein to 'coming into effect of the Scheme' and 'effectiveness of the scheme' shall be construed as reference to the Effective Date;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body and specifically includes the IRDAI;

"High Court" shall mean the High Court of Judicature at Bombay, having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable, or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

"IRDAI" shall mean the Insurance Regulatory and Development Authority of India;

"Liabilities" shall include all secured and unsecured debts (in either Indian or foreign currency) including debentures as may be issued from time to time, liabilities, duties, obligations, undertakings of any kind or description whatsoever and raised or incurred for business activities along with any charge, lien, encumbrance or security thereon and shall



also include amounts due to the company's agents, amount due to other insurance companies, premium received in advance, unallocated premium, claims outstanding towards policyholders, amount unclaimed by policyholders either on account of claim or premium received in excess and Reserve for Unexpired Risk;

"New Shares on Merger" shall mean the shares issued by the Transferee Company to the shareholders of the Transferor Company upon merger of the Transferor Company with the Transferee Company in accordance with the provisions of this Scheme;

"Record Date" shall mean such date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of Equity Shares of the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme;

"Registrar of Companies" shall mean the Registrar of Companies, Mumbai, Maharashtra;

"Scheme" means this scheme of arrangement, as amended or modified in accordance with the provision for the same herein;

"Swap Ratio" shall have the meaning given to it in Clause 10.1 below;

"Transferee Company" means HDFC General Insurance Limited (CIN: U66030MH2007PLC177117), a company incorporated under the Companies Act, 1956 and having its registered office at HDFC House, 1st Floor, 165-166 Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400 020;

"Transferor Company" means HDFC ERGO General Insurance Company Limited (CIN: U66010MH2002PLC134869), a company



incorporated under the Companies Act, 1956, and having its registered office at HDFC House, 1st Floor, 165-166 Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400 020;

"Transferee Company Option Scheme" shall have the meaning given to it in Clause 11.1 below;

"Transferor Company Option Scheme" shall have the meaning given to it in Clause 11.1 below;

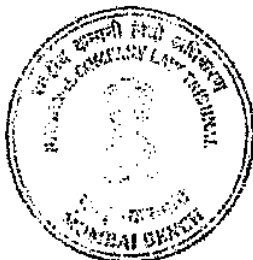
"Undertaking" means and includes the following:

- (a) All assets of the Transferor Company as on the Appointed Date;
- (b) All debts, Liabilities, duties and obligations of the Transferor Company as on the Appointed Date;
- (c) Without prejudice to the generality of sub-clauses (a) and (b) hereinabove, Undertaking shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties, obligations, all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, current assets, present or contingent assets including stock, shares, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, arrangements, engagements, rights, titles, interests, benefits, advantages, sundry debtors, bills of exchange, loans and advances, leasehold rights, tenancy rights, permits, authorisations, quota rights, including reserves, funds, provisions, equipment and installations and utilities, electricity water and other service connections, records, files, employees and benefits



of agreements, contracts and arrangements, balances with all regulatory authorities, liberties, advantages, easements and all rights, titles, interest, goodwill, deposits, reserves, benefits, advantages, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of Income Tax, Minimum Alternate Tax, VAT, Sales Tax, Service Tax etc.) and all other rights, claims and powers, of whatsoever nature and wheresoever situated, belonging to or in the possession of, or granted in favour of, or enjoyed by the Transferor Company, as on the Appointed Date, and all the earnest money and/or deposits including security deposits paid by the Transferor Company as on the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes, including Direct and Indirect Tax laws, derived by the Transferor Company and all necessary records, files, papers, computer programs, websites, domain names and other records whether in physical or electronic form in connection with or relating to the Transferor Company.

- 4.2. Headings shall not affect the interpretation or construction of this Scheme;
- 4.3. Words using the singular terms shall also include the plural terms and *vice versa*;
- 4.4. Reference to the word "include" and "including" shall be construed without limitation;
- 4.5. References to a person includes any individual, firm, body corporate, Governmental Authority, joint venture, association or partnership.



5. SHARE CAPITAL AND SHAREHOLDING PATTERN

5.1. Transferor Company

The authorized, issued, subscribed and paid up capital of the Transferor Company, as on September 14, 2016 is as under:**

PARTICULARS	AMOUNT [RS.]
Authorized Share Capital:	
65,00,00,000 equity shares of Rs. 10 each	650,00,00,000
TOTAL	650,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital:	
60,04,65,850 equity shares of Rs. 10 each	600,46,58,500
TOTAL	600,46,58,500

** Some of the Employee Stock Options granted to the employees of the Transferor Company may be exercised before the Effective Date. The details of the outstanding Employee Stock Options of the Transferor Company as on September 14, 2016 are set out below:

PARTICULARS	No. of Stock Options***
Stock Options granted but not vested (Net of lapses)	18,26,000
Stock Options granted and vested, but not exercised (Net of lapses)	42,42,900
TOTAL	60,68,900



*** Each Stock Option upon exercise is entitled to one equity share of Rs. 10 each.

5.2. Transferee Company

The authorised, issued, subscribed and paid up capital of the Transferee Company as on September 14, 2016 is as follows:-

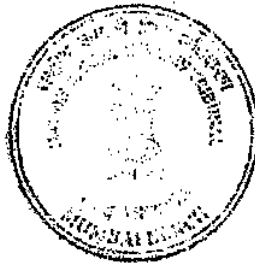
PARTICULARS	AMOUNT (IN RS.)
Authorised Share Capital:	
85,00,00,000 equity shares of Rs. 10 each	850,00,00,000
TOTAL	850,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital:	
75,20,00,000 equity shares of Rs. 10 each	752,00,00,000
TOTAL	752,00,00,000

- 5.3. It is hereby clarified that between the date of filing of the Scheme with the Hon'ble High Court and the Effective Date, both the Transferor Company and the Transferee Company may issue further shares and make consequent changes to their respective issued, paid up and subscribed capital.

PART II

6. REDUCTION OF EQUITY SHARE CAPITAL OF THE TRANSFEE COMPANY

- 6.1. The Transferee Company has significant accumulated losses which have adversely affected its net worth. Hence, in order to restructure the



Balance Sheet and portray a clearer picture of the financial position and net worth, it is proposed that part of the accumulated losses of the Transferee Company be set-off against the paid-up equity share capital of the Transferee Company in the manner as provided in Clause 6.2 below.

- 6.2. Accordingly, upon coming into effect of this Scheme, the accumulated losses amounting to Rs. 221,39,00,000/- shall be adjusted against the issued, subscribed and paid-up equity share capital of Transferee Company by cancellation of 22,13,90,000 equity shares of Rs.10/- each.
- 6.3. Consequent to adjustment as mentioned in Clause 6.2 above, the authorized, issued, subscribed and paid-up share capital of the Transferee Company will be as under:

Particulars	Amount (IN RS.)
Authorized Share Capital	
85,00,00,000 equity shares of Rs. 10 each	850,00,00,000
TOTAL	850,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
54,56,10,000 equity shares of Rs. 10 each	545,61,00,000
TOTAL	545,61,00,000

- 6.4. As such reduction in share capital does not involve either diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid-up capital, the proposed reduction would not in any way



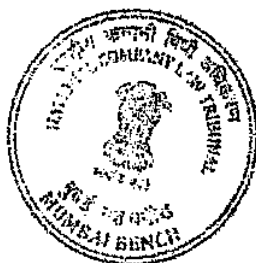
adversely affect the creditors of the Transferee Company. Accordingly, the reduction in the issued, subscribed and paid-up equity share capital of the Transferee Company as above, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 100 to 103 and any other applicable provisions of the Act. The order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without imposing a condition on the Transferee Company to add to its name the words, "and reduced".

- 6.5. The Transferee Company shall obtain the necessary approval from its shareholders and creditors, as required, in terms of this Scheme only, under and pursuant to provisions of Sections 391-394 of the Act. The Transferee Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of paid up equity share capital.
- 6.6. It is hereby further clarified that the reduction of the paid up equity share capital shall not affect the authorised share capital of the Transferee Company and the same remain available to the Transferee Company for issue and allotment of fresh shares.

PART III

7. MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

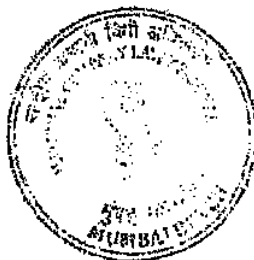
- 7.1. On and from the Appointed Date and pursuant to the sanction of the Scheme by the High Court and in accordance with the provisions of Sections 391 to 394 of the Act and/or any other applicable provisions of the Act or any other law for the time being in force, the entire



Undertaking of the Transferor Company shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern without any further act, deed, instrument, matter or thing, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interest of the Transferee Company, by virtue of and in accordance with the provisions of this Scheme.

7.2. Transfer of Assets

- (a) On and from the Appointed Date, all estate, assets, properties, rights, claims, titles, interest and authorities, including accretions and appurtenances comprised in the Transferor Company of whatsoever nature and wherever situate shall, without any further act, deed or instrument, be and stand transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
- (b) On and from the Appointed Date, the movable properties and assets of the Transferor Company (excluding the shares of Transferee Company held by the Transferor Company which are being cancelled under this Scheme), shall be and stand transferred by the Transferor Company to the Transferee Company and shall become the assets and property of the Transferee Company, from the Appointed Date, without requiring any further deed, conveyance or instrument of transfer.
- (c) In addition to what is stated at Clause 7.2(b) above, the assets and properties of the Transferor Company, in particular receivables, bills, loans and advances recoverable in cash or kind, bank balances, investments, deposits of any nature, prepayments, shall stand transferred



to and vested in the Transferee Company on and from the Appointed Date without any further act, instrument or deed, cost or charge and without any need to notify or intimate any third party.

- (d) All taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business of the Transferor Company before the Appointed Date and also any tax payment whether by way of deduction at source, advance tax or Minimum Alternate Tax ("MAT") or otherwise howsoever by the Transferor Company for the future operations and/or profits of the business that was to take place after the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- (e) It is specifically declared that the taxes/ duties paid by the Transferor Company or withheld on its behalf in relation to Transferor Company shall be deemed to be taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund of such taxes deducted/ paid against its tax/ duty liability notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of Transferor Company. Upon coming into effect of the Scheme, and with effect from the Appointed Date, the Transferee Company is also expressly permitted to revise its income tax returns and other returns filed under the applicable tax laws and to claim refunds, advance tax including MAT and withholding tax credits, etc., pursuant to the provisions of this Scheme.
- (f) All assets, rights, interests, properties, whether immovable or movable, acquired by the Transferor Company on or after the Appointed Date but



before the Effective Date, shall be deemed to be and shall become the assets, rights, interests, properties of the Transferee Company and shall stand transferred to and vested in the Transferee Company on and from the Appointed Date, without any further act, instrument or deed.

- (g) All licenses, permits, entitlements, approvals, permissions, registration, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on or before or after the Appointed Date, including benefits, deductions and exemptions of taxation that have or may accrue to the Transferor Company on, before or after the Appointed Date, tax holidays, subsidies, unexpired deductions and allowances, special incentives, special status and other privileges and benefits granted by any Government Authority or any person, shall stand transferred to and vested in the Transferee Company and shall be enforceable by the Transferee Company on the same terms and conditions.

7.3. Transfer of Contracts

- (a) Subject to the provisions of this Scheme, all contracts, deeds, agreements, leases and other instruments of whatsoever nature to which the Transferor Company is a party, or under which the Transferor Company is to obtain a benefit, and which are subsisting/effective immediately prior to the Effective Date, shall continue to operate against or in favour of the Transferee Company and be enforced against or by the Transferee Company as if the Transferee Company is a party to the same,



- (b) The Transferee Company shall on and from the Effective Date be authorized to act on behalf of the Transferor Company for the purposes of compliance by the Transferor Company of its various obligations under all contracts, deeds, agreements and other instruments to which it is a party and/or under which it is deriving a benefit.
- (c) Without prejudice to the above and notwithstanding the fact that the vesting of the Undertaking of the Transferor Company occurs by virtue of the Scheme itself, the Transferee Company may, at any time after the Scheme comes into effect and in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings with any party to any contract or arrangement to which the Transferor Company was a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above, as may be required to be carried out/ performed, on the part of the Transferor Company.

7.4. Transfer of Liabilities

- (a) On and from the Appointed Date, all Liabilities of the Transferor Company shall without any further act, instrument, deed, be transferred to and vested in the Transferee Company to the extent that they are outstanding and shall become the Liabilities of the Transferee Company on the same terms and conditions. The Transferee Company shall meet and discharge the said Liabilities without any need to notify or intimate any third party.



- (b) All Liabilities of the Transferor Company that have arisen or accrued on or after the Appointed Date but before the Effective Date, shall become the Liabilities of the Transferee Company pursuant to this Scheme and the Transferee Company shall meet, discharge and satisfy the same.
- (c) Any discharge by the Transferor Company of its Liabilities on or after the Appointed Date shall be deemed to be for and on behalf of the Transferee Company.
- (d) All existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- (e) Any Liabilities due and/or outstanding or which may become due/ outstanding between the Transferor Company and the Transferee Company shall stand discharged and no liability/obligation will be imposed on any party with respect to the same.

7.5. Staff, Workmen and Employees

- (a) On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service as on the Effective Date, shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service. On the basis of continuity of employment there shall be no substantial change in the terms of employment of the employees of the Transferor Company, to their prejudice, at the time of such transfer of employment.



- (b) On the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company including but not limited to contributions made to any statutory provident fund such as Employees' Provident Fund, shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.
- (c) In relation to those employees for whom the Transferor Company is making contributions to any statutory provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including the obligation to make contributions to the said fund in accordance with the provisions of such funds, laws, bye-laws in respect of such employees.
- 7.6. Legal, Taxation and other Proceedings
- (a) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature whether by or against the Transferor Company and whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be



discontinued or in any way prejudicially affected by reason of this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company after the Effective Date. The Transferee Company shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in cooperation with the Transferor Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- (b) On and from the Effective Date, such of the Directors of the Transferor Company who are also Directors of the Transferee Company will continue to act as Directors of the Transferee Company. Further, such of the other Directors of the Transferor Company, who were not Directors of the Transferee Company prior to the coming into effect of the Scheme, shall on and from the Effective date, become the Directors of the Transferee Company, without any further act or deed on part of the Transferee Company.
- (c) The Transferee Company shall file the requisite forms with the Registrar of Companies, or any other applicable authority for appointment of the other Directors.

8. AGGREGATION OF AUTHORISED CAPITAL

- (a) Consequent to and as part of the arrangement of the Transferor Company into the Transferee Company, the Authorised Capital of the Transferor Company shall stand merged into and combined with the Authorised Capital of the Transferee Company, without any further act, deed, including without payment of any stamp duty, registration or filing



fee on such combined Authorised Capital under Section 403 of the Companies Act, 2013.

- (b) Upon the Scheme becoming effective, the Authorised Capital of the Transferee Company shall be the aggregate of the authorized capital of the Transferor Company and the Transferee Company i.e. Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crore) divided into 150,00,00,000 (One Hundred Fifty Crore) equity shares of face value Rs. 10/- each.
- (c) Clause V(A) of the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed, stand altered accordingly. The consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 394 of the Companies Act, 1956 or Sections 13, 14, 61 of the Companies Act, 2013 (corresponding to Sections 16, 31 and 94 of the Companies Act, 1956) or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.
- (d) Accordingly, upon the Scheme becoming effective, Clause V(A) of the Capital Clause of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

"The Authorised Capital of the Company is Rs.1500,00,00,000/- divided into 150,00,00,000 equity shares of Rs. 10/- each."
- (e) The Transferee Company shall file the requisite forms with the Registrar of Companies, or any other applicable authority for such increase of the authorized share capital.



9. **DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP**

On the coming into effect of this Scheme the Transferor Company shall, without any further act, deed or instrument, stand dissolved without winding-up, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provision of the Companies Act, 2013 as may be notified).

10. **CONSIDERATION**

- 10.1. In consideration for the merger of the Transferor Company into the Transferee Company, the Transferee Company shall issue and allot to every equity shareholder of the Transferor Company, holding fully paid up equity shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company as on the Record Date, 1 (One) fully paid up equity share of face value Rs.10/- each of the Transferee Company, for every 1 (One) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of Transferor Company ("Swap Ratio").
- 10.2. Any fractional entitlements to which the shareholders of the Transferor Company may be entitled shall be rounded up to the nearest whole equity share which shall thereafter be issued to the relevant entitled shareholder of the Transferor Company.
- 10.3. The issue and allotment of equity shares by the Transferee Company to the equity shareholders of the Transferor Company pursuant to the Scheme, is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act and Rules made



thereunder and all other relevant regulations and laws for the time being in force, were duly complied with.

- 10.4. Upon the Scheme becoming effective, the issued, subscribed and paid-up capital of the Transferee Company shall, without any further application, act, instrument or deed, stand suitably increased consequent upon the issuance of equity shares of the Transferee Company to the shareholders of the Transferor Company pursuant to Clause 10.1 above.
- 10.5. Upon coming into effect of this Scheme and subject to the above provisions, the shares of the Transferor Company held by its equity shareholders, shall, without any further application, act, instrument or deed; be deemed to have been automatically cancelled and extinguished in full, without any requirement to surrender the share certificates, if any. The Transferee Company shall take such actions in relation to the equity shares of the Transferor Company as may be necessary.

11. EMPLOYEE STOCK OPTIONS

- 11.1. Upon the coming into effect of the Scheme, the Transferee Company shall formulate an employee stock option scheme by adopting the same terms and conditions as were applicable to the employee stock options ("ESOPs") granted by the Transferor Company under its Employee Stock Option Scheme 2009 (the "Transferor Company Option Scheme"). The Transferee Company's Employee Stock Option Scheme is hereinafter referred to as "Transferee Company Option Scheme".
- 11.2. Such of the employees of the Transferor Company who hold ESOPs under the Transferor Company Option Scheme (i) which have been granted but have not vested; and (ii) which have vested but have not been exercised, on or before the Effective Date, shall upon the coming



into effect of the Scheme, be issued 1 (One) ESOP under the Transferee Company Option Scheme for every 1 (One) ESOP of the Transferor Company Option Scheme.

- 11.3. The exercise price of the ESOPs to be issued under the Transferee Company Option Scheme to the ESOP holders of Transferor Company Option Scheme shall remain unchanged.
- 11.4. The provisions of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules, 2014, as amended to-date, shall apply, to the extent applicable, to the Transferee Company Option Scheme.
- 11.5. The Transferee Company shall, subject to applicable laws, take into account the period during which the ESOPs under the Transferor Company Option Scheme were held by the Transferor Company's employees for determination of the minimum vesting period required for ESOPs granted under the Transferee Company Option Scheme.
- 11.6. The Transferee Company shall, subject to applicable laws, take into account the period elapsed, after vesting of ESOPs under the Transferor Company Option Scheme, for determination of the maximum exercise period provided for exercise of ESOPs issued under the Transferee Company Option Scheme.
- 11.7. The approval granted to the Scheme by the shareholders, the High Court and/or any other regulatory authority shall be deemed to be approval granted to any modifications made to the Transferor Company Option Scheme by the Transferor Company and approval granted to the Transferee Company Option Scheme to be adopted by the Transferee Company, respectively.

12. CHANGE OF NAME OF THE TRANSFEE COMPANY



Upon the Scheme becoming effective, the name of the Transferee Company shall, without any further act, instrument or deed, stand altered to "HDFC ERGO General Insurance Company Ltd." Such alteration in the name of the Transferee Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Transferee Company. No further resolution(s) under Section 394 of the Companies Act, 1956 or Sections 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

PART IV

13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

13.1. With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have carried on all its business and activities for and on behalf of and in trust for the Transferee Company.
- (b) All profits, losses, income and expenditure arising or incurred by the Transferor Company (including taxes) for the period commencing from the Appointed Date shall be treated to be the profits, losses, income and expenditure as applicable, of the Transferee Company.
- (c) The Transferor Company shall be deemed to have exercised all rights, powers, authorities and undertaken and/or discharged any obligations, duties or liabilities for and on behalf of, and as an agent of the Transferee Company.



- (d) The coming into effect of this Scheme shall not affect any prior transactions or proceedings already concluded by the Transferor Company on, before or after the Appointed Date and until the Effective Date, in as much as the Transferee Company hereby accepts and adopts all acts, deeds and things done and executed by the Transferor Company as if the same are done and executed by the Transferee Company.
- (e) Pending the sanction of the Scheme, the Transferee Company may apply as required to any authority, including any Governmental Authority, for such consents, permissions, approvals which may be necessary to carry on the business of the Transferor Company.

14. ACCOUNTING TREATMENT

- 14.1. Upon the Scheme becoming effective, the Transferee Company shall account for the arrangement in its books of accounts as under:
 - (a) The merger of the Transferor Company with Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Accounting Standard 14 (Accounting for Amalgamation)
 - (b) All assets, liabilities and reserves (including securities premium) of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded at their respective book values and in the same form as they appear in financial statements of the Transferor Company
 - (c) The Transferee Company shall credit to its share capital account, the aggregate face value of the New Shares on Merger issued by it pursuant to Clause 10.1 of this Scheme;



- (d) Upon the Scheme coming into effect, the surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 14.1(b) above over the face value of the New Shares on Merger issued and allotted pursuant to Clause 10.1 above shall be adjusted in reserves.
- (e) The investments in equity shares of Transferee Company, (including any additional investment before the Effective Date) shall be cancelled against the balance remaining in equity share capital of the Transferee Company as per Clause 6.3 above of the Scheme (including any increase in equity share capital pursuant to issue of additional shares before the Effective Date). The surplus (if any) of the book value of investments (including any additional investment before the Effective Date) over the balance remaining in equity share capital of the Transferee Company as per Clause 6.3 of the Scheme (including any increase in equity share capital pursuant to issue of additional shares before the Effective Date) shall be first adjusted against the profit and loss account of the combined entity and balance (if any) shall be adjusted against the securities premium account of the combined entity. Conversely, the deficit (if any) between the book value of investments (including any additional investment before the Effective Date) and the balance remaining in equity share capital of the Transferee Company as per Clause 6.3 of the Scheme (including any increase in equity share capital pursuant to issue of additional shares before the Effective Date) shall be credited to the Capital Reserve.
- (f) The inter-company deposits / loans and advances outstanding between the Transferee Company and the Transferor Company will stand cancelled.



- (g) In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date of the Scheme will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.
- (h) The adjustment (if any) to the securities premium account of the Transferee Company (including securities premium pursuant to merger) and cancellation of the equity share capital pursuant to Clause 14.1(e) shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 100 to 103 and any other applicable provisions of the Act. The order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without imposing a condition on the Transferee Company to add to its name the words, "and reduced".

15. MODIFICATION / AMENDMENT TO THE SCHEME

- 15.1. Subject to applicable law and the order of the High Court, the Transferor Company through its Board and the Transferee Company through its Board may at any time, in their absolute discretion, and jointly and mutually in writing, modify, vary, alter, interpret, clarify, give such directions as may be necessary to settle any question or difficulty in relation to this Scheme. This would include any alteration or modification in the Scheme pursuant to any directions issued by the High Court and/or any other Governmental Authority.
- 15.2. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company may give and are authorised to give such directions



including directions for settling any question of doubt or difficulty that may arise.

16. CONDITIONS PRECEDENT TO THE SCHEME

16.1. The Scheme is conditional upon and subject to the following:

- (a) The Scheme being agreed to by the requisite number of shareholders and/or creditors and/or classes of shareholders and/or creditors of the Transferor Company and the Transferee Company as required under the Act and in accordance with the orders of the High Court;
- (b) The certified copies of the High Court's order sanctioning this Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company;
- (c) The sanctioned Scheme being finally approved by the IRDAI; and
- (d) The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

16.2. On approval of the Scheme by the shareholders and creditors of the Transferor Company and the Transferee Company, if required, in accordance with Section 391(1) of the Act, the shareholders and/or creditors of these Companies shall be deemed to have also resolved and given all relevant consents under the other provisions of the Act and Rules to the extent applicable and necessary to give effect to this Scheme.

16.3. The Transferor Company and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme pursuant to Sections 391 to 394 of the Act.



16.4. Upon the coming into effect of the Scheme, the resolutions of the Transferor Company which are valid and operating as of the Effective Date shall be considered as the resolutions passed by the Transferee Company.

16.5. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts of this Scheme.


17. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

17.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the High Court by March 31, 2018 or such other date as may be mutually decided by the Board of Directors of the Transferor Company and Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18. COSTS, CHARGES & EXPENSES

18.1. All costs charges and expenses payable by both the Transferor Company and the Transferee Company in connection with this Scheme and for the completion of the arrangement shall be borne as may be mutually agreed between the Transferor Company and the Transferee Company.

Certified True Copy
Date of Application 30.06.2017
Number of Pages 30
Fee Paid Rs. 150
Applicant called for collection copy on 12.07.2017
30 Copy prepared on 12.07.2017
Copy issued on 12.07.2017


Deputy Director
National Company Law Tribunal, Mumbai Bench





**BEFORE THE NATIONAL COMPANY LAW
TRIBUNAL MUMBAI BENCH, MUMBAI
COMPANY PETITION NO. 280 OF 2017**

**HDFC ERGO GENERAL INSURANCE
COMPANY LIMITED ... PETITIONER/
TRANSFEROR**

**Certified Copy of the Minutes of Order dated
June 23, 2017 along with Scheme**

Dated this day of June, 2017

**Wadia Ghandy & Co.,
Advocates for the Petitioner/ Transferee
2nd Floor, N.M. Wadia Bldg.,
123, M.G. Road, Fort,
Mumbai 400 001
HCSP10014/Madhupreetha/NDK**

CERTIFIED TRUE COPY

For HDFC ERGO General Insurance Company Limited


**Dayananda V. Shetty
Executive Vice President - Legal & Compliance and Company Secretary
FCS 4638**



नीलेश साठे
सदस्य (जीवन)

NILESH SATHE
MEMBER (LIFE)



भारतीय बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA**

Ref: 34/F&A (Non-Life)/Merger/L&T-HDFC/01/2016-17/73 Date: 14.08.2017

Mr. Ritesh Kumar
Chief Executive Officer
HDFC General Insurance Limited
1st Floor, HDFC House, 165-166 Backbay Reclamation,
H. T. Parekh Marg, Churchgate,
Mumbai - 400 020.

Dear Sir,

Re: Final approval in respect of merger of HDFC Ergo General Insurance Co. Ltd. with HDFC General Insurance Ltd. (formerly known as L&T General Insurance Co. Ltd.)

The Authority received the joint and composite application dated 10th June, 2016 for merger of HDFC Ergo General Insurance Co. Ltd with L&T General Insurance Co. Ltd. in terms of Regulation 3 of IRDA (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011 to seek in-principle approval for the proposed merger and the proposed draft scheme of merger.

2. The Authority notes that the merger of HDFC Ergo General Insurance Co. Ltd with L&T General Insurance Co. Ltd. is being effected in a two step process as follows:

Step 1: HDFC Ergo General Insurance Co. Ltd acquired the ownership and control of L&T General Insurance Co. Ltd. by acquiring 100 percent of the share capital of L&T General Insurance Co. Ltd. from L&T Ltd.

After becoming a 100 percent subsidiary of HDFC Ergo General Insurance Co. Ltd., name of L&T General Insurance Co. Ltd has been changed to HDFC General Insurance Ltd.

Step 2: HDFC Ergo General Insurance Co. Ltd. shall merge into HDFC General Insurance Ltd. and vest in HDFC General Insurance Ltd. together with its assets, properties, rights, liabilities, benefits and interest therein.

As per the Scheme of merger and on completion of the entire process, the transferee company shall be re-named as HDFC Ergo General Insurance Co. Ltd.

CERTIFIED TRUE COPY

For HDFC ERGO General Insurance Company Limited

परिश्रम भवन, तीसरा तल, बशीरबाग, हैदराबाद-500 004, भारत

Parishram Bhavan, 3rd Floor, Basheer Bagh, Hyderabad-500 004, India.

Dayananda V. Shetty

Executive Vice President - Legal & Compliance and Company Secretary

FCS 4638


3. The Authority accorded in-principle approval vide its letter no. 34/F&A (Non-Life)/Merger/L&T-HDFC/01/2016-17/64 dated 30th August, 2016 subject to conditions stated in the letter under reference which inter alia also included approval of Competition Commission of India (CCI) and National Company Law Tribunal (NCLT).

4. The applicants vide their communications dated 8th September, 2016, 5th October, 2016, 27th October, 2016, 1st December, 2016, 20th December, 2016, 31st March, 2017 and 27th July, 2017 have confirmed compliance with the said conditions. However, the applicants have vide their above mentioned communication dated 27th July, 2017 indicated that the NCLT has accorded its approval subject to certain conditions out of which the following two conditions are not yet complied with:

- i. Lodging a copy of the Order with the concerned Superintendent of Stamps for adjudication of stamp duty within 60 days from the receipt of the Order.
- ii. Filing a copy of the Order with the Registrar of Companies (i) electronically along with E-Form INC 28; and (ii) physically, as per the Act, i.e., within 30 days as per Section 230(8) and 232(5) of the Act.

5. In view of the above, the Authority hereby grants final approval under Regulation 8 of IRDA (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011 for merger of HDFC Ergo General Insurance Co. Ltd. with HDFC General Insurance Ltd. (formerly known as L&T General Insurance Co. Ltd.) subject to the following conditions that:

- i) The transferee company shall confirm to the Authority compliance with the conditions imposed by NCLT as mentioned above.
- ii) On and from the date of the coming into operation of the Scheme of Amalgamation, the Scheme shall be binding on both the transacting insurers and also on all the shareholders, policyholders and other creditors and employees of each of the transacting insurers and on any other persons having any right or liability in relation to any of the transacting insurers.
- iii) On and from the date of the coming into operation of the Scheme, the properties and assets of the transferor insurer shall, by virtue of and to the extent provided in the Scheme, stand transferred to and vest in, and the liabilities of the transferor insurer shall, by virtue of and to the



extent provided in the scheme, stand transferred to and become the liabilities of the transferee insurer.

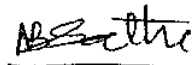
- iv) Notice shall be published in the newspapers about completion of the process of amalgamation at least in one national daily and one vernacular newspaper and copies of the publication shall be filed with the Authority within 10 days of this communication. The notice shall clearly spell out the details of the merged entity including the change of name of HDFC General Insurance Ltd. to HDFC Ergo General Insurance Co. Ltd.
- v) The cost of merger including implication of the income tax, if any, etc. shall be charged to shareholders' fund only.
- vi) The regulatory solvency margins shall be maintained at all times for the merged entity, proposed to be re-named as HDFC Ergo General Insurance Co. Ltd.
- vii) The applicants shall ensure compliance with:
 - i. Provisions of Insurance Act, 1938, Rules, Regulations, Orders, Circulars etc. as applicable from time-to-time.
 - ii. Total foreign investment to be computed in accordance with Rule 2 (P) of Indian Insurance Companies (Foreign Investment) Rules, 2015 as amended from time to time.
 - iii. Requirements of "Indian Owned & Controlled" at all times.
 - iv. FEMA Regulations on pricing as may be applicable.
 - v. All other applicable Laws.
- viii) The amalgamation and transfer of the general insurance business shall be effective from **16th August, 2017**, as requested by the HDFC General Insurance Ltd.
- ix) Pursuant to the merger, the license no. 125 of the erstwhile HDFC Ergo General Insurance Co. Ltd. shall stand cancelled and the applicants shall surrender the same to the Authority and the merged entity shall continue operation under registration no. 146 under the name and title of HDFC Ergo General Insurance Co. Ltd. subject to



the condition that HDFC General Insurance Ltd. is re-named and registered as HDFC Ergo General Insurance Co. Ltd. in the register of companies by Ministry of Corporate Affairs. The merged entity shall intimate the changed name to the Authority to facilitate incorporation of the change of name in the R3 (Certificate of Registration) issued by the Authority.

Kindly acknowledge receipt of this communication.

Yours faithfully,



(Nilesh Sathe)





सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): U66030MH2007PLC177117

I hereby certify that the name of the company has been changed from HDFC GENERAL INSURANCE LIMITED to HDFC ERGO GENERAL INSURANCE COMPANY LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name L&T GENERAL INSURANCE COMPANY LIMITED.

Given under my hand at Mumbai this Fourteenth day of August two thousand seventeen.



SATYA PARKASH KUMAR
Registrar of Companies (STS)
Registrar of Companies
RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

HDFC HOUSE, 1st FLOOR, 165-166 BACKBAY RECLAMATION, H.T.PAREKH MARG,
CHURCHGATE, MUMBAI, Mumbai City, Maharashtra, India, 400020



CERTIFIED TRUE COPY

For HDFC ERGO General Insurance Company Limited


Dayananda V. Shetty
Executive Vice President - Legal & Compliance and Company Secretary
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