

NOTICE OF THE EXTRA - ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN EXTRA-ORDINARY GENERAL MEETING (EGM) OF THE MEMBERS OF HDFC ERGO GENERAL INSURANCE COMPANY LIMITED (HDFC ERGO) WILL BE HELD AT A SHORTER NOTICE ON TUESDAY, AUGUST 16, 2016 AT 5.00 P.M AT THE REGISTERED OFFICE OF THE COMPANY, 'BOARD ROOM', HDFC HOUSE, 1ST FLOOR, 165 – 166, BACKBAY RECLAMATION, H. T. PAREKH MARG, CHURCHGATE, MUMBAI 400020, TO TRANSACT THE FOLLOWING SPECIAL BUSINESSES:

1. Approval of newly substituted Articles of Association (AOA) of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory amendment(s), or modification(s), or re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and is hereby substituted in its entirety by the revised Articles of Association and the same is approved and adopted in place and stead of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as they may consider expedient, to delegate all or any of the powers herein conferred to any Director(s) and / or Officer(s) of the Company, and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to this resolution along with filing of necessary e-form(s) with the Registrar of Companies, Mumbai.”

2. Issue of Equity Shares on a Preferential basis

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

“RESOLVED THAT pursuant to the provisions of Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder (including any statutory amendment(s), or modification(s), or re-enactment thereof, for the time being in force) and in accordance with Rule 13 of the Companies

(Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 including any statutory amendment(s), or modification(s), or re-enactment thereof, for the time being in force, the Insurance Act, 1938, as amended and the provisions of all other applicable laws and regulations including relevant circulars and notifications issued thereunder by the Reserve Bank of India, Insurance Regulatory and Development Authority of India (IRDAI), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines as may be applicable and subject to approvals, consents, permissions and/or sanctions as may be required from appropriate regulatory authorities/institutions or bodies and subject to such terms and conditions as may be prescribed/imposed, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Allotment Committee of Directors constituted by the Board) to offer, issue and allot 6,05,45,000 Equity shares of ₹ 10 each at a premium of ₹ 81 per share (i.e. price of ₹ 91 per share), aggregating to ₹ 550,95,95,000 (Rupees Five Hundred Fifty Crore Ninety Five Lakhs And Ninety Five Thousand) on a preferential basis, to the Promoters of the Company named below:

Sr. No	Name of the Promoter	Father's Name	Address	Occupation	Number of Equity Shares
1	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	NA	RAMON HOUSE, H.T.PAREKH MARG, 169, BACKBARY RECLAMATION, CHURCHGATE, MUMBAI – 400 020	Business	3,08,77,950
2	ERGO INTERNATIONAL, AG	NA	VICTORIAPLATZ, 2, D- 40198 DUSSELDORF GERMANY	Business	2,96,67,050
Total					6,05,45,000

RESOLVED FURTHER THAT the equity shares issued pursuant to this resolution shall rank pari-passu with the existing equity shares of the Company in all respects including entitlement to full dividend, if any, approved/declared for the financial year 2016-17.

RESOLVED FURTHER THAT for the purpose of giving effect to this offer, issue and allotment of equity shares, the Board be and is hereby authorised to determine terms and conditions for issue of equity shares, timing for issuance of equity shares and vary, modify, alter any of the terms and conditions and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) and/or Officer(s) of the Company, to give effect to this resolution.”

3. Increase in Authorised Share Capital

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

“**RESOLVED THAT** pursuant to the provisions of Section 61(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from ₹ 600,00,00,000 (Rupees Six Hundred Crore) divided into 60,00,00,000 Equity shares of ₹ 10 each to ₹ 650,00,00,000 (Rupees Six Hundred and Fifty Crore) divided into 65,00,00,000 Equity shares ₹ 10 each by creation of additional 5,00,00,000 Equity Shares of ₹ 10 each.”

4. Alteration to Memorandum of Association

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

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted and now read as:

“V (a) The Authorised Share Capital of the Company is ₹ 650,00,00,000 (Rupees Six Hundred and Fifty Crore) divided into 65,00,00,000 (Sixty Five Crore) Equity shares of ₹ 10 (Rupees ten only) each.”



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters that may be necessary, desirable or expedient for giving effect to this resolution.”

By Order of the Board of Directors

Date: July 20, 2016
Place: Mumbai

**Sd/-
Dayananda V. Shetty
Company Secretary and Head – Legal & Compliance
FCS: 4638**

NOTES:

- (i) The explanatory statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposals set out above is annexed herewith.
- (ii) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE, DULY COMPLETED AND SIGNED BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- (iii) A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.
- (iv) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution under Section 113 of the Act, authorising their representative to attend and vote on their behalf at the Meeting.
- (v) Proxy shall not vote except on a poll.
- (vi) In case of joint holders attending the Meeting, only the first named holder will be entitled to vote.
- (vii) All documents referred to in the Notice and the Explanatory Statement requiring the approval of the Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company during business hours from the date hereof up to the date of the Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013

Item No. 1:

The Articles of Association of the Company as currently in force was adopted at the Extra-ordinary General Meeting held on 29 February 2008 under the erstwhile Companies Act, 1956 ('erstwhile Act').

The existing Articles of Association reflects certain provisions of the Shareholders Agreement dated October 30, 2007 between the Promoter Shareholders.

The Promoter Shareholders have entered into an amended and restated Shareholders Agreement (SHA) dated April 18, 2016 in supercession of the Shareholders Agreement dated October 30, 2007 (as amended from time to time) pursuant to the foreign promoter, ERGO international AG, acquiring 22.902% of the paid-up equity share capital of the Company from the Indian promoter, Housing Development Finance Corporation Limited (HDFC) and increasing its shareholding to 48.742% of the paid-up equity share capital of the Company.

In order to incorporate the provisions contained in the said SHA, including the provisions to ensure compliance with the guidelines on Indian Owned and Controlled issued by the Insurance Regulatory and Development Authority of India (IRDAI) at all times, it is proposed to amend the existing Articles of Association of the Company.

Further, considering that the erstwhile Act has been re-enacted, and replaced with the Companies Act, 2013 ('Act'), with the substantive sections being in force and notified by the Ministry of Corporate Affairs, the existing Articles of Association have to be re-aligned with the Act.

Further, the references to specific sections of the erstwhile Act in the existing Articles of Association may no longer be in conformity with the Act.

Considering the above, it is proposed to amend the existing Articles of Association to align it with the provisions of:

1. Amended and Restated Shareholders' Agreement dated April 18, 2016; and
2. The Companies Act, 2013 including the Rules framed thereunder

Synopsis of key changes that are proposed in the revised Articles of Association of the Company, is summarised below -

Article No. in the existing AOA	Article No. in the revised AOA	Title	Synopsis of proposed amendment
II (2)	II(2)	Definitions	<p>Definitions are proposed to be modified appropriately to align with the provisions of the Companies Act, 2013 (Act) and the restated Shareholders agreement.</p> <p>Further to above, definition of the term “Shareholder” has been bifurcated into:</p> <p>(i) “Promoter Shareholders” shall mean HDFC and/or ERGO.</p> <p>(ii) “Shareholders or Members” shall mean the duly registered holder from time to time of the shares of the Company, and shall include beneficial owners whose names are entered as a beneficial owner in the records of a depository.</p>
-	III (4)	Implementation of ESOP Scheme	New Article inserted as per restated Shareholders Agreement.
-	III (5)	Implication of ESOP Scheme	New Article inserted as per restated Shareholders Agreement.
IV (1)	IV (1)	Transfer of shares - Lock In Period	Lock in Period of 5 years from June 3, 2016 on 12,33,57,262 shares sold by HDFC to ERGO
X (b)	X (2)	Board of Directors - Board Composition	<p>1. At all times, the maximum number of Directors of the Company shall not exceed 15, minimum number of Directors shall not be less than 3 and the number of HDFC Directors shall be at least one more than the number of ERGO Directors on the Board.</p> <p>2. The Board shall at all times be compliant with the requirements of Indian Owned & Controlled Guidelines.</p> <p>3. Independent Directors and Whole-Time Directors shall be recommended by the Nomination & Remuneration Committee and subsequently appointed by the Board of Directors</p>

Article No. in the existing AOA	Article No. in the revised AOA	Title	Synopsis of proposed amendment
X (e)	X (4) (b)	Board Committees - Composition	The Composition of the Board Committee shall also at all times be compliant with Indian Owned and Controlled Guidelines.
X (g) (i)	X (6) (a)	Functioning of Board – Quorum	To constitute a valid quorum, the number of HDFC Directors shall be at least one more than the number of ERGO Directors except in case of Investment Committee and Audit and Compliance Committee.
X (g) (ii)	X (6) (c)	Functioning of Board - Circular Resolution	A circular resolution shall be deemed to be passed if approved by all of the Directors.
XI	XI	Affirmative Votes	In compliance with the provisions of Indian Owned and Controlled Guidelines, certain items from Affirmative Votes have been deleted.

It may be further noted that certain redundant provisions in the existing Articles of Association have been deleted, and certain provisions have been amended to incorporate the provisions of restated SHA.

It is thus proposed to amend the existing Articles of Association by replacing it with the revised Articles of Association.

The Board of Directors recommends the resolution as set out at Item no.1 of this notice, for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 2:

At the meeting of the Board of Directors held on June 3, 2016, the proposal for acquisition of L&T General Insurance Company Limited (LTGI) and subsequent merger was approved. Based on the approval, a Share Sale and Purchase Agreement (SPA) was signed by and amongst the Company, Larsen & Toubro Ltd (L&T) and LTGI.

As per the SPA, on completion of the closing conditions an amount of ₹ 551 crore would be payable by the Company to L&T for acquiring 100% shares of LTGI.

Regulatory approvals from IRDAI and Competition Commission of India are at the advanced stage of processing and it is expected that the same may be granted soon.

Based on the above, the consideration of ₹ 551 crore would be required to be paid by the Company to L & T immediately upon closing. The capital for the same of equivalent amount would be required around the same time.

Accordingly, it is proposed to raise capital by way of issue of equity shares on a preferential basis to the Promoter Shareholders.

Disclosures pursuant to Rule 13(2) (d) of the Companies (Share Capital and Debentures) Rules, 2014:

(i) The objects of the issue:

To fund acquisition of 100 % shares of L&T General Insurance Company Limited

(ii) The total number of shares or other securities to be issued:

Issue of 6,05,45,000 equity shares of face value of ₹ 10 each at a price of ₹ 91 per equity share (including a premium of ₹ 81 per equity share) aggregating to ₹ 550,95,95,000.

(iii) The price or price band at/within which the allotment is proposed:

Issue of 6,05,45,000 equity shares at a price of ₹ 91 per equity share.

(iv) Basis on which the price has been arrived at along with report of the registered valuer:

In accordance with the explanation to sub – rule 7 of Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and circular issued by the Reserve Bank of India (RBI) bearing ref. no. RBI/2014-15/129 A. P. (DIR Series) Circular No. 4 dated July 15, 2014 pertaining to “Foreign Direct Investment (FDI) in India - Issue/Transfer of Shares or Convertible Debentures - Revised pricing guidelines”, the price has been arrived at based on the valuation report of SPA Capital Advisors Limited (SPA), a category – I merchant banker registered with the Securities and Exchange Board of India (SEBI).

The valuation of equity shares was carried out by SPA as per Income Approach - Discounted Cash Flow Method.

As per the valuation report dated July 18, 2016 of SPA, the fair value of the equity shares of the Company is ₹ 91 per equity share and the shares are offered on a preferential basis at ₹ 91 per equity share.

(v) **Relevant date with reference to which the price has been arrived at:**

June 30, 2016

(vi) **The class or classes of persons to whom the allotment is proposed to be made:**

The equity shares are offered and will be allotted to the Promoters of the Company viz. HDFC Limited and ERGO International AG.

(vii) **Intention of promoters, directors or key managerial personnel to subscribe to the offer:**

The Promoters of the Company will be the subscribers to this present offer, while the Directors and Key Managerial Personnel have not been offered and hence will not be participating in this offer.

(viii) **The proposed time within which the allotment shall be completed:**

The equity shares will be allotted to the subscribers within fifteen days from the date of closure of the offer.

(ix) **The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:**

Name of Proposed Allottee	Pre Issue		Post Issue	
	Number of Shares	% of holding	Number of Shares	% of holding
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	27,32,50,988	50.732	30,41,28,938	50.759
ERGO INTERNATIONAL AG	26,25,35,262	48.742	29,22,02,312	48.768

- (x) **The change in control, if any, in the Company that would occur consequent to the preferential offer:**

The present offer will not result in any change in control of the Company.

- (xi) **The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

The Company has not issued any shares on a preferential basis during the current financial year except the present offer.

- (xii) **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

The issue of equity shares is for consideration payable by cash.

- (xiii) **The pre issue and post issue shareholding pattern of the Company in the following format:**

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares	% of share holding	No. of Shares	% of share holding
A	Promoters' Holding:				
1	Indian				
	Individuals	-	-	-	-
	Bodies Corporate	27,32,50,988	50.732	30,41,28,928	50.759
2	Foreign Promoters	26,25,35,262	48.742	29,22,02,350	48.768
	Sub Total (A)	53,57,86,250	99.474	59,63,31,278	99.527
B	Non – Promoters' holding:				
1	Institutional Investors	-	-	-	-
2	Non – Institution	-	-	-	-
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives				
	Indian Public				
	Others (Including NRIs)	28,34,000	0.526	28,34,000	0.473
	Sub Total (B)				
	Grand Total (A+B)	53,86,20,250	100.00	59,91,65,278	100.00

The Board recommends the resolution as set out at Item No. 2 of this Notice, for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution, save and except for the equity shares of the Company, if any, held by them.

Item No. 3 & 4:

The Authorised share capital of the Company, at present, is ₹ 600 crore consisting of 60,00,00,000 equity shares of ₹ 10 each. At present, the issued and paid-up equity share capital of the Company is ₹ 538,62,02,500.

The issue and allotment of additional equity shares as proposed under Item No. 2 and to employees under Employee Stock Option Scheme of the Company will increase the issued and paid-up equity share capital of the Company beyond the current limit and therefore the authorised share capital of the Company needs to be increased to accommodate the issue of further equity shares.

In view thereof, it is proposed to increase the authorised share capital of the Company from ₹ 600 crore (Rupees Six Hundred crore) to ₹ 650 crore (Rupees Six Hundred and Fifty crore) consisting of 65,00,00,000 equity shares of ₹ 10 each. The proposed increase in the authorised share capital of the Company requires the approval of the Members in the General Meeting. The alteration in the Memorandum of Association of the Company is only consequential change to reflect the proposed increase in the authorised share capital.

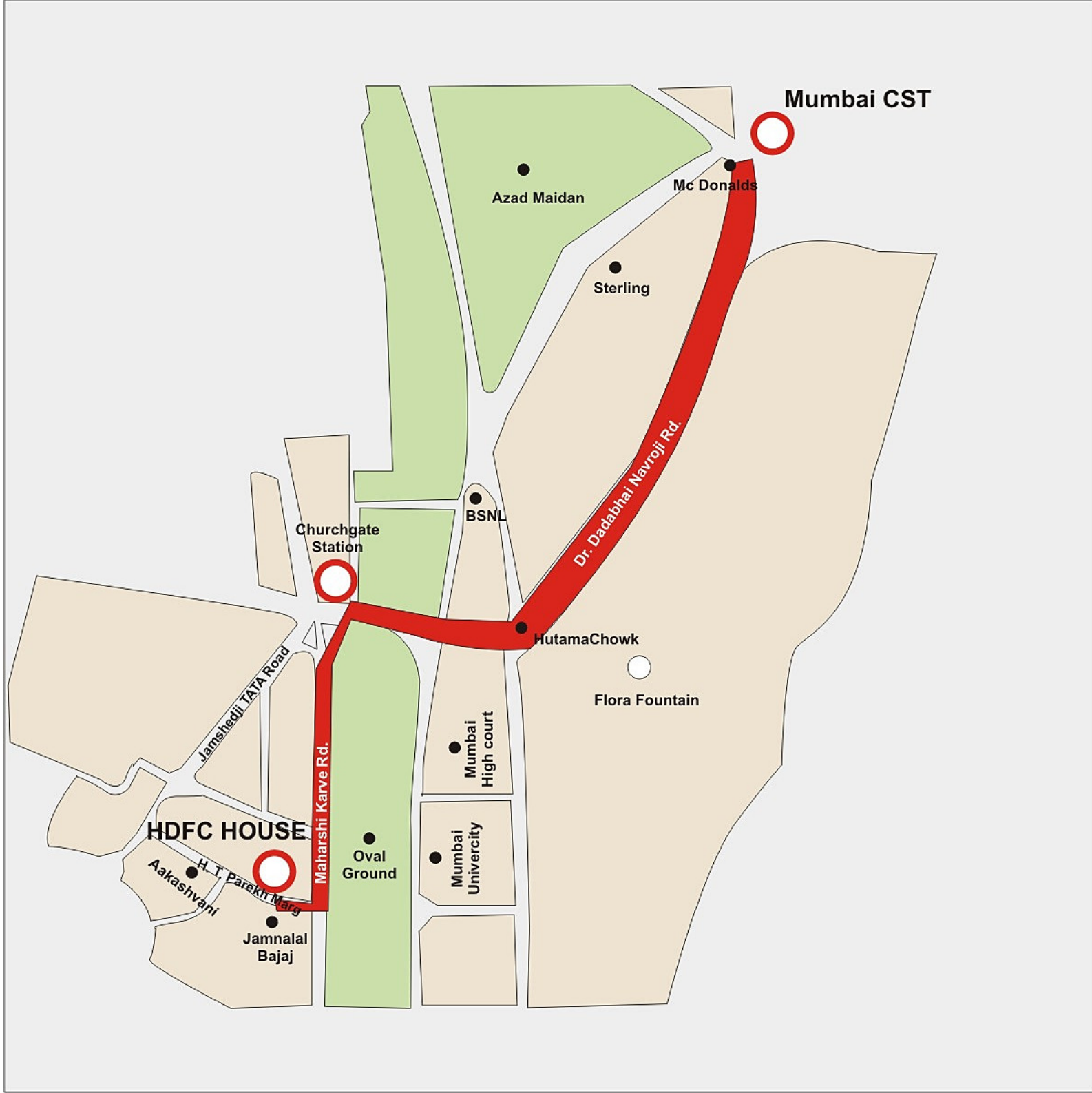
The Board of Directors recommends the resolutions as set out at Item Nos. 3 and 4 of this notice, for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolutions.

By Order of the Board of Directors

Date: July 20, 2016
Place: Mumbai

Sd/-
Dayananda V. Shetty
Company Secretary and Head – Legal & Compliance
FCS: 4638



Mumbai CST

Azad Maidan

Mc Donalds

Sterling

Churchgate Station

BSNL

Dr. Dadabhai Navroji Rd.

Hutama Chowk

Flora Fountain

Jamsheji TATA Road

Mumbai High court

HDFC HOUSE

Oval Ground

Mumbai University

Aakashvani

H.T. Parekh Marg

Jamnalal Bajaj

Maharshi Karve Rd.

HDFC ERGO General Insurance Company Limited



Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company: HDFC ERGO GENERAL INSURANCE COMPANY LIMITED
CIN: U66010MH2002PLC134869

Registered office: HDFC House, 1st Floor, 165 – 166, Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400020

Name of the member(s):

Registered address:

Email id:

Folio No/ Client Id:

DP ID:

I/ We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name: Address:
Email Id: Signature:or failing him/her
- (2) Name: Address:
Email Id: Signature:or failing him/her
- (3) Name: Address:
Email Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the Company, to be held on the Tuesday, August 16, 2016 5.00 P.M. at the Registered Office of the Company at a shorter notice and at any adjournment thereof in respect of such resolutions as are indicated below:

Special Business

1.	Approval of newly substituted Articles of Association (AOA) of the Company
2.	Issue of Equity Shares on a Preferential basis
3.	Increase in Authorised Share Capital
4.	Alteration to Memorandum of Association

Signed this day of..... 2016

Signature of Member(s):

Signature of Proxy holder(s):





ATTENDANCE SLIP

(Please hand over at entrance of the Venue)

Extra- Ordinary General Meeting – Tuesday, August 16, 2016

I / We hereby record my / our presence at the EXTRA-ORDINARY GENERAL MEETING of the Company to be held at the Registered Office of the Company, 'Board Room', HDFC House, 1st Floor, 165–166, Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai 400020, on Tuesday, August 16, 2016 at 5.00 P.M, at a shorter notice.

Full name of the Member (IN BLOCK LETTERS)

.....

Folio No.: DP ID No.: Client ID No.:

No. of Shares held:

Full name of Proxy (IN BLOCK LETTERS):

Member's / Proxy's Signature:

Note: The Member/Proxy must bring this Attendance Slip to the Meeting duly completed and signed and hand over the same at entrance of the venue