

## 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 Thursday, December 18, 2014 at 11 A.M. at the Registered Office of the Company at 1<sup>st</sup> Floor, 165 – 166, Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai 400020, to transact the following **Special Businesses**:

### 1. 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(7), and other applicable provisions, of the Companies Act, 2013 (the Act) (including any statutory 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 modification(s) or re-enactment thereof, 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 (IRDA), 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 up to 75,00,000 Equity shares of ₹ 10 each at a premium of ₹ 70 per share (i.e. price of ₹ 80 per share), aggregating to ₹ 60,00,00,000 (₹ Sixty Crore) 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   | 55,50,000               |
| 2            | ERGO INTERNATIONAL, AG                          | NA            | VICTORIAPLATZ, 2, D- 401981 DUSSELDORF GERMANY  | Business   | 19,50,000               |
| <b>Total</b> |   |               |   |            | <b>75,00,000</b>        |

“**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 and shall be entitled to full dividend, if any, approved/declared for the financial year 2014-15.”

“**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 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.”

## **2. Investment of Funds 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 186 of the Companies Act, 2013 [the Act] and other applicable provisions of the Act (including any statutory modification or re- enactment thereof for the time being in force) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable Rules, if any, 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 Investment Committee constituted by the Board), to invest the amount of funds representing the Investment Assets of the Company and other surplus funds, in such manner, subject to such conditions and restrictions, up to such limits and to the extent, as permitted / prescribed under Sections 27A, 27B and 27C of the

Insurance Act, 1938, as amended, IRDA (Investment) Regulations, 2000, as amended, and other applicable regulations, notwithstanding that such investments may exceed 60% of the paid up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee constituted by the Board in this regard and/or Director(s) and/or Officer(s) of the Company, as permitted and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and to settle any question, doubt or difficulty that may arise in relation thereto.”

**By Order of the Board of Directors,**

Place: Mumbai

Date: December 17, 2014

**Dayananda V. Shetty**  
**Company Secretary**

**NOTES:**

- (i) The 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 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, the first named holder only will be entitled to vote.
- (vii) All documents referred to in the notice requiring the approval of the Members at the Meeting and other statutory registers 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 pursuant to Section 102 of the Companies Act, 2013**

#### **Item No. 1:**

Presently, the paid-up capital of the Company is ₹ 531,12,02,500 divided into 53,11,20,250 Equity Shares of ₹ 10 each. As per regulatory requirement, the Company at all times is required to maintain solvency ratio of 1.5 times, calculated as per IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000, as amended.

At present the Company has adequate funds to comply with this requirement. However, the impact of losses arising out of recent floods in the state of Jammu & Kashmir (J&K floods) and cyclone Hudhud in the states of Andhra Pradesh and Odisha is likely to adversely impact the solvency margin of the Company. In view of the same, the Company has estimated that additional funds are required to meet the solvency margin for F.Y. 2014 -15.

Accordingly, it is proposed to raise capital for meeting the solvency requirements that can arise during the course of the financial year. The funds shall be deployed to meet the aforesaid regulatory requirement.

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

(i) **The objects of the issue:**

To ensure maintenance of adequate solvency margin at all times.

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

Issue of 75,00,000 equity shares of face value of ₹ 10 each at a price of ₹ 80 per equity share (including a premium of ₹ 70 per equity share) aggregating to ₹ 60,00,00,000.

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

Issue of 75,00,000 equity shares at a price of ₹ 80 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 December 3, 2014 of SPA, the fair value of the equity shares of the Company is ₹ 79.95 per equity share and the shares are offered on a preferential basis at ₹ 80 per equity share.

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

December 01, 2014

**(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 Ltd. 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 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 | 39,10,58,250     | 73.629       | 39,66,08,250     | 73.634       |
| ERGO INTERNATIONAL, AG                          | 13,72,28,000     | 25.838       | 13,91,78,000     | 25.840       |

(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       | <b>Promoters' Holding:</b>       |                     |                    |                     |                    |
| 1       | <b>Indian</b>                    |                     |                    |                     |                    |
|         | Individuals                      | -                   | -                  | -                   | -                  |
|         | <b>Bodies Corporate</b>          | 39,10,58,250        | 73.629             | 39,66,08,250        | 73.634             |
| 2       | <b>Foreign Promoters</b>         | 13,72,28,000        | 25.838             | 13,91,78,000        | 25.840             |
|         | <b>Sub Total (A)</b>             | <b>52,82,86,250</b> | <b>99.467</b>      | <b>53,57,86,250</b> | <b>99.474</b>      |
| B       | <b>Non – Promoters' holding:</b> |                     |                    |                     |                    |
| 1       | Institutional Investors          | -                   | -                  | -                   | -                  |
| 2       | Non – Institution                | -                   | -                  | -                   | -                  |
| 3       | Private Corporate Bodies         | -                   | -                  | -                   | -                  |
| 4       | Directors and Relatives          | 79,500              | 0.015              | 79,500              | 0.015              |
| 5       | Indian Public                    | 27,54,500           | 0.518              | 27,54,500           | 0.511              |
|         | Others (Including NRIs)          | -                   | -                  | -                   | -                  |
|         | <b>Sub Total (B)</b>             | <b>28,34,000</b>    | <b>0.533</b>       | <b>28,34,000</b>    | <b>0.526</b>       |
|         | <b>Grand Total (A+B)</b>         | <b>53,11,20,250</b> | <b>100</b>         | <b>53,86,20,250</b> | <b>100</b>         |

The Board recommends the resolution as set out at Item No. 1 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. 2**

As per the provisions of Section 186 of the Companies Act, 2013 [the Act], a company can acquire by way of subscription, purchase or otherwise, the securities of any body corporate up to sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Further, as per Section 186 (3), a company can invest funds in excess of the aforesaid limits after obtaining prior approval of the members of the company by means of a special resolution.

The Company being a General Insurance Company is required to invest funds representing Investment Assets in accordance with the provisions of the Insurance Act, 1938 and Insurance Regulatory and Developmental Authority [IRDA] (Investment) Regulations, 2000, as amended from time to time and circulars issued by IRDA from time to time and the Company's investments are in conformity with the requirement of the said provisions.

The paid-up capital, free reserves and securities premium account as on September 30, 2014 and March 31, 2014 are as follows:

(₹ in '000)

| Particulars   | As on September 30, 2014 | As on March 31, 2014 |
|---|--------------------------|----------------------|
| Paid up Capital   | 5,311,203                | 5,292,843            |
| <u>Free reserves</u>  |                          |                      |
| (i) Surplus in profit & loss account                                | 1,246,313                | 756,669              |
| (ii) Share Premium  | 2,783,230                | 2,775,300            |
| Total paid up capital, free reserves and Securities Premium account | 9,340,746                | 8,824,812            |
| 60% of Paid up capital & Free Reserves                              | 5,604,447                | 5,294,887            |
| 100% of Free Reserves   | 4,029,543                | 3,531,969            |
| Total Investments   | 33,991,357               | 31,431,308           |

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.

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**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]

CIN: U66010MH2002PLC134869

Name of the company: HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

Registered office: 1<sup>st</sup> 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 the above named company holding .....equity shares of ₹ 10 each, hereby appoint:

(1) Name: ..... Address: .....  
Email Id: ..... Signature: ..... or failing him

(2) Name: ..... Address: .....  
Email Id: ..... Signature: ..... or failing him

(3) Name: ..... Address: .....  
Email Id: ..... Signature: .....

as my/ proxy to attend and vote (on a poll) for me/us and on our behalf at an Extra-ordinary General Meeting (EGM) of the Company, to be held on December 18, 2014 at 11.00 a.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:

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**Special Business**

1. Issue of Equity Shares on a Preferential basis
  2. Investment of Funds of the Company
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Signed this ..... day of..... 2014

Signature of Member(s): .....

Affix Revenue Stamp

Signature of Proxy holder(s): .....

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**

Registered Office: 1<sup>st</sup> Floor, 165 – 166, Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020 | Customer Service Address: 6<sup>th</sup> Floor, Leela Business Park, Andheri – Kurla Road, Andheri East, Mumbai – 400059 | Tel No. +91 22 6638 3600 | Fax: +91 22 6638 3699 | [care@hdfcergo.com](mailto:care@hdfcergo.com) | [www.hdfcergo.com](http://www.hdfcergo.com) | IRDA Reg. No. 125 | CIN: U66010MH2002PLC134869



**ATTENDANCE SLIP**

(Please hand over at the entrance of the Venue)

Extra-Ordinary General Meeting – December 18, 2014

I / We hereby record my / our presence at the AN EXTRA – ORDINARY GENERAL MEETING of the Company to be held at the Registered Office of the Company, 'Board Room', 1st Floor, 165 – 166, Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400020' on Thursday, December 18, 2014 at 11:00 A.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 the entrance of the venue.