

## NOTICE

### To all the Members of the Company

Notice is hereby given that the 16<sup>th</sup> Extra Ordinary General Meeting (“**EGM**”) of the Members of **Magma HDI General Insurance Company Limited (“the Company”)** will be held at shorter notice on **Tuesday, November 29, 2022 at 3.00 P.M.** through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) in accordance with the applicable provisions of the Companies Act, 2013 read with its rules made thereunder and MCA General Circular No. 03/2022 dated May 05, 2022 which is in continuation of General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 20/2021 dated December 08, 2021 respectively to transact the following business:

### **SPECIAL BUSINESS**

#### **1. Approval for Alteration of Articles of Association of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with rules framed thereunder and Schedules thereto (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authority (ies) if any, the consent of the Shareholders be and is hereby accorded to adopt a comprehensive new set of Articles of Association of the Company, in substitution and to the entire exclusion, of the existing Articles of Association of the Company, the draft of the which is available for inspection at the Registered Office of the Company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Directors or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and to take all steps and give directions as may be necessary including but not limited to the filing with the Register of Companies, West Bengal and such other authorities as may be required from time to time.”

## **2. Increase in the Authorized Share Capital and alteration in the Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions, if any of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) thereto and all modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the Shareholders of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crores Only) divided into 25,00,00,000 (Twenty-Five Crore Only) equity shares of Rs.10/- (Rupees Ten Only) each to Rs. 350,00,00,000 (Rupees Three Hundred and Fifty Crore only) divided into 35,00,00,000 (Thirty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each.

**RESOLVED FURTHER THAT** the existing Clause V.A of the Memorandum of Association of the Company be replaced by the following clause:

*“The Authorised Share Capital of the Company is Rs. 350,00,00,000 (Rupees Three Hundred and Fifty Crore only) divided into 35,00,00,000 (Thirty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each.”*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things necessary or expedient in this regard including but not limited to the filing with the Registrar of Companies, West-Bengal and such other authorities as may be required from time to time.”

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.1**

IRDAI (hereinafter referred to as “authority”) vide its letter dated May 27, 2022 (Ref: 671/F&A(NL)/ToS/MagmaHDI/2022-2023/16) had approved the proposed preferential issue of 5,60,60,000 equity shares to Sanoti Properties LLP (hereinafter referred to as “Sanoti”) and transfer of the entire shareholding (aggregating to 6,06,79,881 equity shares) of the then promoter and shareholder of Magma HDI General Insurance Company limited (hereinafter referred to as “the Company”) i.e. Poonawalla Fincorp Limited (formerly, Magma Fincorp Limited) and Serum Institute of India Private Limited to Sanoti. The said preferential issue and the transfer of the shares to Sanoti was concluded on June 09, 2022, thereby Sanoti is being classified as the Promoter Shareholder of the Company.

Pursuant to IRDAI approval letter dated May 27, 2022, the authority has required the company to file the amended Articles of Association (hereinafter referred to as “AOA”) of the Company within 30 days from the date of issuance of letter of approval by the authority. The Company vide its E - mail dated October 01,2022 and November 14,2022 has sought extension from the authority to file the amended AOA of the Company up to December 15, 2022.

The proposed alterations, deletions, insertions etc. to the present AOA would be numerous as the same will be required to be in line with the Share Subscription and Shareholders’ Agreement dated March 30, 2022 and also 1<sup>st</sup> Amendment to Share Subscription and Shareholders’ Agreement dated August 16, 2022 executed by and between Sanoti Properties LLP, Poonawalla Fincorp Limited (formerly, Magma Fincorp Limited), Celica Developers Private Limited, Jaguar Advisory Services Private Limited, HDI Global SE, Serum Institute of India Private Limited, Mr. Sanjay Chamria and Mr. Mayank Poddar.

It is proposed to adopt an entirely new set of AOA in place of those contained in its existing AOA incorporating all the proposed alterations.

The executive summary of the important change in the clauses of AOA is as follows:

#### **I. Changes to the AOA under the seventh amendment to JVA dated May 24, 2019:**

HDI Global SE (“HDI”) gave up certain rights in the Company. The broad changes are as follows:

- i. Modifications to the AVMs
- ii. HDI’s right to nominate 2 (two) nominee directors on the board was modified to appointment of 1 (one) nominee director on the board
- iii. In the event HDI’s shareholding falls below 10%, HDI’s right of inspection of *inter alia* books and records, reports etc. would fall away.

#### **II. Changes to the AOA under the eight amendment to JVA dated March 29, 2022:**

The joint rights of Celica and Poonawalla Fincorp Limited (previously as Magma Fincorp Limited) (“PFL”) were split. The broad changes are as follows:

- i. Mr. Chamria shall continue to be the chairman of the Company till the time the aggregate shareholding of Celica (including affiliates and related parties) in the Company is more than 1% of the paid-up capital of the Company
- ii. Board seats were specially demarcated between PFL and Celica. Celica to have a right to appoint 2 nominee directors on the board and PFL to have a right to appoint 1 nominee director on the board (As a result of PFL stake sale to Sanoti, PFL's right to nominate the Director is transferred to Sanoti).

**III. Changes to the AOA to include the rights of investors under the share subscription and shareholders agreement dated February 28, 2020 (“Employee SSHA”).**

The investors pursuant to the Employee SSHA have subscribed to the shares of the Company and were given certain rights under the same. The broad changes to the AOA with respect to the Employee SSHA are as follows:

- i. the investor shares are in a lock-in for a period of 3 years from the closing date except with prior written consent of the promoters.
- ii. The investors, anytime until 5 years from the closing date demonstrate an extenuating circumstance, then subject to the terms specified in the Employee SSHA, the promoters may purchase the shares of such investor.
- iii. The investors have the following exit obligations/rights: (a) investors to give the promoters a right of first refusal at the time of sale of their shares; (b) investors to have a right to tag along with the promoters for sale of their shares; (c) promoters have a right to drag the investor shares at the time of sale of promoter shareholding.

**IV. Changes to the AOA to include the rights of Sanoti Properties LLP (“Sanoti”) under the share subscription and shareholders agreement dated March 30, 2022 (“Sanoti SSHA”).**

Sanoti, pursuant to the Sanoti SSHA, have subscribed to the shares of the Company and was given certain rights under the same. The broad changes to the AOA with respect to the Sanoti SSHA are as follows:

- i. Right to appoint two (2) nominee directors on the board of the Company
- ii. Rights to quorum in all the meetings of the Company
- iii. Affirmative vote rights
- iv. Pre-emptive rights

**V. Change in Board Composition:**

In view of the above changes, the Board composition will change as follows:

The maximum number of Directors constituting the entire Board shall be 11. The Board shall be constituted in the following manner:

- i. Sanoti shall be entitled to appoint three (3) Sanoti Nominee Directors on the Board.
- ii. Celica shall have a right to nominate two (2) Directors to the Board.
- iii. HDI shall have the right to nominate one (1) director on the Board. Further, HDI will not have the right to nominate any directors on the Board in the event the Company ceases to use the HDI Intellectual Property and the shareholding of HDI in the Company falls below 10%.

- iv. The Board shall have the right to appoint upto 4 Independent Directors on recommendation of Nomination and Remuneration Committee. Such appointment shall be approved in General Meeting.
- v. The Board shall have the right to appoint one (1) Director on the Board i.e. the CEO (Board Nominee Director).

Further the composition of the Board Committees will be as follows:

- i. Sanoti shall be entitled to nominate two (2) Sanoti Nominee Directors on each of the Board Committees / sub-committees of the Company.
- ii. Every committee and subcommittee of the Board shall include at least one (1) Celica Nominee Director, and one (1) HDI Nominee Director.
- iii. The quorum for a Board Meeting and/or a meeting of any Board Committee shall be one third of the total number of Directors then in office. No quorum at any Board Meeting and/or meeting of any Board Committee shall be validly constituted unless atleast (i) two (2) Sanoti Nominee Director, as and when appointed; (ii) one (1) Celica Nominee Director, if any; and (iii) one (1) HDI Nominee Director, if any is present at the commencement of such meeting and throughout its proceedings.

Your Directors recommend the Resolution proposed at Item No. 1 of this Notice for your approval.

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

## **Item No.2**

For maintaining the solvency margin of the Company as stipulated by Insurance Regulatory & Development Authority (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and subsequent circulars and orders and for the future expansion of the business of the Company it is required to infuse funds in the Company from time to time.

In order to issue further shares to the shareholders, the Company must have sufficient authorized share capital. In view of the above, the Board of Directors of the Company (Board), vide its resolution dated November 09, 2022 has approved the proposal of increasing the authorised share capital of the Company.

The current Authorised capital of the Company is Rs. 2,50,00,00,000 (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each and current Paid up capital is Rs. 2,11,02,48,680 (Rupees Two Hundred and Eleven Crores Two Lacs Forty-Eight Thousand Six Hundred and Eighty Only) divided into 21,10,24,868 (Twenty-One Crore Ten Lacs Twenty-Four Thousand Eight Hundred and Sixty-Eight) equity shares of Rs.10/- (Rupees Ten only) each.

It is being proposed to increase the current Authorised Capital of the Company from Rs. 2,50,00,00,000 (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each to Rs. 3,50,00,00,000 (Rupees Three Hundred and Fifty Crore only) divided into 35,00,00,000 (Thirty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each.

Pursuant to the provisions of Section 13, 61 and 64 of the Companies Act, 2013 (“the Act”), the shareholders of the Company are requested to accord their consent to the proposed increase in the authorised share capital.

In order to reflect the increase in the authorised share capital of the Company, and in order to conform to the requirements of the Act, Clause V.A of the Memorandum of Association of the Company is required to be amended.

The amended Clause V.A is given herewith for the consideration of the members:

*“The Authorised Share Capital of the Company is Rs. 3,50,00,00,000 (Rupees Three Hundred and Fifty Crores only) divided into 35,00,00,000 (Thirty-Five Crore) equity shares of Rs.10/- (Rupees Ten only) each.”*

A copy of the said altered MOA is available for inspection in electronic mode by shareholders at the meeting.

Your Directors recommend the Resolution proposed at Item No. 2 of this Notice for your approval.

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

Place: Mumbai  
Dated: November 23 2022  
Registered Office:  
Development House  
24, Park Street,  
Kolkata – 700 016

By order of the Board of Directors

**For & on behalf of Magma HDI General  
Insurance Company Limited**

Sd/-  
**Sweta Bharucha**  
**Company Secretary**  
Membership No: A22946

#### **NOTES:**

1. Shorter Notice consent has been received from all the shareholders of the Company to convene the meeting at a shorter notice.

In view of the current extraordinary circumstances due to Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), has vide its circular dated April 08, 2020 read with circulars dated April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020 and January 13, 2021, May 05, 2022 (collectively referred to as “MCA Circulars”), permitted the Companies to conduct their Extra Ordinary General Meeting through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the EGM of the Company is being held through VC / OAVM. Further, for the purpose of technical compliance of the provisions of section 96(2) of the Companies Act, 2013 we are assuming the place of

Registered. Office: Development House, 24 Park Street, Kolkata – 700 016

meeting as the Corporate office of the Company at Unit No. 1B & 2B, 2nd floor, Equinox Business Park, Tower – 3, LBS Marg, Kurla (West), Mumbai – 400070.

2. The Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, with respect to Special Business set out in the Notice is annexed hereto and forms part of the notice.
3. In compliance with the aforesaid MCA Circulars the notice for EGM shall be given only through emails registered with the Company or with the depository participant / depository. Members may note that the Notice will also be available on the Company's website at [www.magmahdi.com](http://www.magmahdi.com)
4. The Members can attend the meeting through VC from their laptop/mobile. Members are requested to follow the steps mentioned in the file named '**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC**' which is enclosed with the Notice of the EGM and shall also be attached separately on the e-mail, with the Notice of the EGM.
- 5.
6. The Company shall provide VC facility via **ZOOM VIDEO COMMUNICATIONS ("Zoom")** in order to make it convenient for the Members to attend the Meeting. Members are required to use the following link or details to join the meeting through VC facility of Zoom:

<b>Zoom Meeting Link</b>	<a href="https://zoom.us/j/7758305658?pwd=VitHc25DWldvOStFRnpTZjFJUWRIZz09">https://zoom.us/j/7758305658?pwd=VitHc25DWldvOStFRnpTZjFJUWRIZz09</a>
<b>Meeting ID</b>	775 830 5658
<b>Password</b>	384900

7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this EGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. Corporate Members are requested to send a duly certified scanned copy (PDF/JPG Format) of the Board Resolution/Power of Attorney authorizing their representative(s) pursuant to Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the EGM through email to [Sweta.bharucha@magma-hdi.co.in](mailto:Sweta.bharucha@magma-hdi.co.in).
9. The members desiring to inspect the relevant documents referred to in the accompanying notice and other statutory registers are required to send requests on the Company Secretary's email address: [Sweta.bharucha@magma-hdi.co.in](mailto:Sweta.bharucha@magma-hdi.co.in). An extract of such documents would be sent to the members on their registered email address. The same will also be made available for inspection by the members at the Meeting in electronic mode.
10. Members seeking any information with regard to the matters to be placed at the EGM, are requested to write to the Company Secretary at [Sweta.bharucha@magma-hdi.co.in](mailto:Sweta.bharucha@magma-hdi.co.in). The same shall be taken up in EGM and replied by the Company suitably.
11. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in

which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be made available for inspection by the members at the Meeting in electronic mode.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the EGM.
13. Members attending the EGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Since the EGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Place: Mumbai  
Dated: November 23, 2022  
Registered Office:  
Development House  
24, Park Street,  
Kolkata – 700 016

By order of the Board of Directors

**For & on behalf of Magma HDI General  
Insurance Company Limited**

Sd/-  
**Sweta Bharucha**  
**Company Secretary**  
Membership No: A22946

**Instructions for participating in the 16th Extra Ordinary General Meeting of the Members of Magma HDI General Insurance Company Limited, to be held at shorter notice on November 29,2022 at 3.00 P.M. through Video Conference, by using Zoom Meeting Application.**

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**Instructions for participating the aforesaid EGM through Video Conference:**

**Step 1**

Download the Zoom Meeting Application in your Mobile or Laptop. You may use this link to download the application [<https://zoom.us/>].

**Step 2**

Click on “Sign up”

**Step 3**

For verification, please enter your “Date of Birth”

**Step 4**

Please enter “Your email”, “First Name” and “Last Name” and click on “I agree to the Terms of Service”

**Step 5**

Now go to your registered email provided, check Inbox for the registration email and click on the “Activate Account”

**Step 6**

Go to your Zoom Application, click on the “Join” and enter the Meeting Id and password and now click on the “Join Meeting” Tab and ensure that you have proper internet facility through Mobile phone or Wifi connected to your device.

**Other instructions:**

1. Please note that, if you have already downloaded /using Zoom Application, then you need not to do the aforesaid activities and you have to just enter the Zoom Meeting Id and Password, as provided in this Notice.
2. You can sign-in/join the meeting before 15 minutes on the meeting day for timely participation in the EGM through video conference. Further, any member may join the meeting within 15 minutes from the commencement of the meeting.
3. Please listen and participate in the discussion carefully.
4. Please Propose and Second any of the Resolution by raising your hand/ Show of hands and by saying “I Propose the Resolution” or “I Second the Resolution” whenever it is asked in the EGM.
5. The members attending the EGM through VC will be required to send their assent or dissent through their registered email-id at [Sweta.bharucha@magma-hdi.co.in](mailto:Sweta.bharucha@magma-hdi.co.in).
6. Please click on the “Mute” tab, when there is any disturbance or noise around you or not talking.
7. *Please ensure that, no other person is sitting with you /participating in the aforesaid Meeting through Video Conference.*
8. Please click on “Unmute” tab when you want to say something.

9. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
  10. In case of multiple votes on the same resolution, the first one shall be counted for the purpose of counting Votes.
  11. In case of any assistance before or during the video conference as aforesaid, you can contact the official in secretarial team at [Sweta.bharucha@magma-hdi.co.in](mailto:Sweta.bharucha@magma-hdi.co.in).
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