

## ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED

(Regd Office: 21 Patullos Road, Chennai 600 002) CIN: U67200TN2000PLC045611

Email: sr.balachandher@royalsundaram.in Website: www.royalsundaram.in

Corp. Office: 'VISHRANTHI MELARAM TOWERS' 2/319, RAJIV GANDHI SALAI  
KARAPAKKAM, CHENNAI 600 097, Ph: 91-44-7117 7117

### **NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS**

**NOTICE** is hereby given that an Extraordinary General Meeting (EGM) of the Shareholders of the Company will be held at shorter notice on **7<sup>th</sup> day of May 2021**, at **5.15 p.m.** through Video Conferencing ("VC") / other Audio Visual Means ("OAVM"), to transact the following business:

#### **SPECIAL BUSINESS:**

1. **To consider and if thought fit to pass with or without modification(s), the following as SPECIAL RESOLUTIONS:**

**"RESOLVED** that pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the provisions of the Insurance Act, 1938 read with the Rules and Regulations made thereunder including the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, the Insurance Regulatory and Development Authority Act, 1999 including any amendments made to the above Acts and Rules from time to time and in accordance with the Rules, Regulations, Guidelines, Notifications, Circulars and clarifications issued thereon from time to time by any other competent authorities, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to necessary approvals, permissions, consents and sanctions of IRDAI and any other statutory authorities as required and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any of the Director(s) or person(s) authorized by the Board by way of a Resolution to exercise powers conferred by this Resolution to the extent permitted by law) the consent, authority and approval of the Members of the Company be and is hereby accorded to offer, issue and allot up to 760 (Seven Hundred and Sixty only) unsecured, subordinated, redeemable, non-convertible debentures having a face value of Rs.10,00,000/- (Rupees Ten lakhs only) each (the "Debentures") to eligible persons, for an aggregate consideration of up to Rs.76,00,00,000/- (Rupees Seventy Six crore only), on a private placement basis, in one or more series/tranches and on such terms and conditions which may be agreed to by the Board at its discretion, subject to the overall borrowing limit by way of the debentures be capped at Rs. 176,00,00,000/- (Rupees One hundred and Seventy-six crore only) based on the total paid-up equity capital and securities premium available, as on date."

**"FURTHER RESOLVED** that for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalisation and approval for the preliminary as well as final offer document(s) / information memorandum / private placement offer letter, determining the form and manner of the issue, including the persons to whom the Debentures are to be issued and allotted, number of debentures to be allotted, issue price, face value, premium

amount on issue, if any, tenor, interest/coupon rate issue schedule / period, execution of various transaction documents, setting up of the debenture redemption reserve as and when required, making application to the Insurance Regulatory and Development Authority of India (IRDAI) and any other Authorities to obtain their approval for issuance of the Debentures, making other necessary Regulatory filings, signing necessary declarations, agreements, deeds and documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Debentures and utilization of the issue proceeds, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

**By Order of the Board**



Place: Chennai  
Date: 5<sup>th</sup> May 2021

S.R. Balachandher  
Company Secretary

Notes:

This Notice, is being sent only in electronic form, to all the shareholders whose names appear on the Register of Members as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) and who have registered their email id with the Company.

- a) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020, 15<sup>th</sup> June 2020, 28<sup>th</sup> September 2020 and 31<sup>st</sup> December 2020 (collectively referred to as "MCA Circulars") permitted convening such General Meetings ("Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), this EGM of the Company is being held through VC / OAVM.
- b) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- c) Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Since the EGM is held through VC /OAVM pursuant to the MCA circulars, the physical attendance of the Members is dispensed with. Accordingly, the entitlement for appointment of proxy will not be available to the Members for EGMs to be conducted in electronic mode till 30<sup>th</sup> June 2021. Accordingly, the Proxy Form has not been annexed to this Notice.
- d) Attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum as required under the Companies Act, 2013.
- e) Since the EGM is proposed to be held through VC/OAVM, the Route Map of the venue has not been annexed to this Notice.
- f) Corporate Members intending to nominate their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend the meeting on VC/OAVM mode and vote on their behalf at the Meeting.

- g) Procedure for joining the EGM through VC / OAVM: The Company will provide VC / OAVM facility to its Members for participating at the EGM. A link will be shared separately with the members to join the Meeting.
- h) This meeting is being called at a shorter Notice than the statutory required minimum of 21 clear days. Pursuant to the provisions of Section 101 of the Companies Act, 2013, a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by members, majority in number, entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting. The members are accordingly requested to give their consents to hold the meeting at a shorter notice.



## Explanatory Statement under Section 102 (1) of the Companies Act, 2013

### Special Business:

#### Item No.1

As per the IRDAI guidelines on other forms of Capital, the Company may raise Capital by way of Debentures upto 25% of the Paid up Equity Share Capital and Securities Premium Account. Based on the above, the Company can issue debentures up to Rs.176 cr. (25% of Paid up Equity Share Capital and Securities Premium of Rs.704 cr.). The Company currently has an outstanding to the tune of Rs.100 cr., by way of Non-Convertible Debentures (NCDs), issued in September 2016 and March 2017 at a coupon rate of 11% and 10.5%, respectively.

Based on the Budget for the year 2021-22, additional capital to the tune of Rs.76 cr. will help to support the projected growth and to maintain the solvency margin position well above the Regulatory requirements. After assessing the various options available, we are proposing to raise additional capital through issue of debentures up to Rs.76 cr. as per the guidelines issued by IRDAI on alternate forms of Capital on a private placement basis. The Debentures proposed to be issued will be unsecured, subordinated, redeemable, non-convertible debentures. The terms and conditions of the issue will be decided by the Board of Directors and subject to the approval of the Authority.

The borrowing limits post issuance will be less than the share capital and free reserves as permitted under Section 180(1)(c) of the Companies Act, 2013, hence approval of the Members for increase in borrowing limits is not required. However, since the proposed issuance of debentures would be through private placement basis, the Company is required to obtain consent of the Members by passing a special resolution in accordance with the provisions of Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The approval of the Members is now being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of up to 760 (Seven hundred and Sixty only) unsecured, subordinated, redeemable, non-convertible debentures having face value of Rs.10,00,000/- (Rupees Ten lakhs only) each aggregating to Rs.76,00,00,000/- (Rupees Seventy six crore only) on a private placement basis, in one or more tranches, based on the approval of the IRDAI, subject to the overall borrowing limit by way of the debentures be capped at Rs. 176,00,00,000/- (Rupees One hundred and Seventy-six crore only) based on the total paid-up equity capital and securities premium available, as on date.

The Directors recommend the adoption of the Resolution at item no.1 of the Notice as a Special Resolution.

#### **Interest of Directors**

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the above subject.





Resolution Number	Resolution	Vote (Optional)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	Issuance of 760 unsecured, redeemable, non-convertible debentures having face value of Rs.10,00,000/- each aggregating to Rs.76,00,00,000/- (Rs. Seventy Six crore only)			

