

NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Extra - Ordinary General Meeting of the Members of the Company will be held on Tuesday, the 9th day of August, 2016 at 2.30 P.M. at the Registered Office of the Company at 1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai – 600 034 to transact the following business:

SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the Section 42 and 62 of the Companies Act 2013 and other rules and provisions of the Act, the enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to the approval of IRDAI and as per the provisions of applicable laws for time being in force, and pursuant to and in accordance with the terms and conditions of the share subscription agreement dated July 6, 2016 (the **SSA**) executed by and between the Company, Apis Growth 6 Ltd. (**Investor**) and the Promoters (as defined therein); approval of the shareholders be and is hereby accorded to the Board to issue and allot on the Subscription Completion Date (as defined in the SHA), 4,29,36,170 (Four Crores and Twenty Nine Lakhs Thirty Six Thousand One Hundred and Seventy) equity shares (**Shares**) of Rs.10/- each at a premium of Rs.37/- per equity share of the Company to the Investor, on payment of an aggregate consideration of Rs. 201,79,99,990 (Rupees Two Hundred and One Crores Seventy Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety only).”

“RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to issue the private placement offer letter in the format as set out in Form No. PAS-4 to the Companies (Prospectus and Allotment of Securities) Rules, 2014 together with an application form (as per draft placed before this meeting and initialed by the Chairman for identification) to the Investor inviting it to subscribe to the issue.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforementioned resolutions, the Board of the Company, be and is hereby authorized, to do by itself or any other person as appointed by the Board in this regard, be and is/are hereby authorized to do all acts, matters, deeds and things and to take all such steps and do all such things and give all such directions as such persons may consider necessary, expedient or desirable in order to give effect to the above resolutions in its absolute discretion may deem fit and take all steps which are incidental and ancillary in this connection including without limitation, finalizing, executing and issuing the private placement offer letter to Investor for the purposes of issuance of the Shares, in compliance of the provisions of the Act.”

“RESOLVED FURTHER THAT the equity shares allotted pursuant to the aforesaid resolution shall in all respect rank paripassu with the existing equity shares of the Company save and except the entitlement to dividend which will commence only from the date of allotment of such equity shares and pro-rata for the Financial Year for which the dividend is declared.”

Regd & Corporate Office : 1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034.

Phone : 044 - 28288800 Telefax : 044 -28260062

CIN : U66010TN2005PLC056649 Email:info@starhealth.in Website: www.starhealth.in IRDAI Regn. No: 129

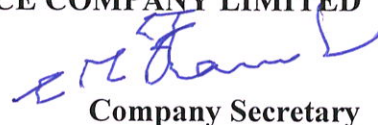
“RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

2. 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 applicable provisions of the Companies Act, 2013, read with Schedule V of the Act and rules made thereunder, The Insurance Act, 1938 as amended by the Insurance Amendment Act, 2015 as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of IRDAI payment of Remuneration not exceeding Rs.4,00,00,000/- (Rupees Four Crore Only) per annum by way of salary, allowances and perquisites to Mr. V. Jagannathan, Chairman Cum Managing Director of the Company be and is hereby approved with effect from 01.04.2016 till further consideration from time to time. The other terms and conditions remain unaltered. ”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.”

For **STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED**



Company Secretary

Place : Chennai

Date : 18.07.2016

NOTES/ STATEMENT:

01. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a Member of the Company.
02. The Instruments appointing proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the Meeting.
03. Members and Proxies should bring the attendance slip duly filled for attending the meeting. Corporate members are requested to send a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
04. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during the office hours on all working up to the date of the Annual General Meeting.
05. Members are requested to notify change in address, if any, immediately to the Company.
06. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars and other communications from the Company electronically.
07. Route map for the venue and prominent landmark is annexed herewith for easy location

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ANNEXURE TO NOTICE

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

Item No. 1

The proposed Special Resolution set out at Item No. 1 is an enabling Resolution authorizing the Board of Directors to raise finance required for the purpose of funding the solvency requirements of the Company as required by the Insurance Regulatory and Development Authority of India (the **IRDAI**), by issue of 4,29,36,170 (Four Crores and Twenty Nine Lakhs Thirty Six Thousand One Hundred and Seventy) equity shares (**Shares**) of Rs.10/- each at a premium of Rs.37/- per equity share of the Company on payment of an aggregate consideration of Rs. 201,79,99,990/- (Two Hundred and One Crores Seventy Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety only).

The terms and conditions of the said issue of the Shares shall however be subject to applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and the Transaction Documents.

The consent of the Members is sought to authorize the Board to issue the Shares as aforesaid.

None of the Directors, Managers, and other key managerial personnel, and their relatives are concerned or interested in this resolution of the Company.

The additional disclosures related to further issue of shares on preferential basis are as follows

Sr. No	Particulars	Disclosure of information.
(a)	the objects of the issue	Funding the solvency requirements of the Company as required by the IRDAI.
(b)	the total number of shares or other securities to be issued	4,29,36,170 (Four Crores and Twenty Nine Lakhs Thirty Six Thousand One Hundred and Seventy) equity shares of Rs. 10/- each
(c)	the price at/ which the allotment is proposed	Rs. 47/- per equity share.
(d)	basis on which the price has been arrived at along with report of the registered valuer	The price of the said shares has been arrived at on the basis of a valuation report dated 12-07-2016.
(e)	relevant date with reference to which the price has been arrived at	12-07-2016
(f)	the class or classes of persons to whom the allotment is proposed to be made	The Investor
(g)	intention of promoters, directors or key managerial personnel to subscribe to the offer	No
(h)	the proposed time within which the allotment shall be completed	Within 60 days from the date of the resolution passed by the shareholders of the Company in respect of approving the issue.

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The Health Insurance Specialist

(i)	the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Apis Growth 6 Ltd, which will hold 9.987% of the post preferential offer capital of the Company.
(j)	the change in control, if any, in the company that would occur consequent to the preferential offer	No.
(k)	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	N.A
(l)	the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.

**The pre issue and post issue shareholding pattern for Equity capital of the Company:
Pre-Issue Shareholding Pattern of the Company**

Sl.No	Category and shareholders	No. of equity shares	Percentage shareholding
(A)	Indian Holdings		
	Individuals:		
	Mr.Mohamed Hassan	8300	0.002%
	Mr.Abdul Qadir A Rahman Buhari.	8820	0.002%
	Mr.V.Jagannathan	11232979	2.903%
	Mrs.Vasanthi Jagannathan	1152993	0.298%
	Dr.Sai Sathish	975609	0.252%
	Mr.Ahamed Shakir	100	0.000%
	Mr.K.S.M Musaddique	100	0.000%
	Mr.Habeeb Zarook	100	0.000%
	Mr. Thaika Omer Shaikh	100	0.000%
	Mr Avinash Chukkapalli	954545	0.247%
	Mrs C Madhumati	445454	0.115%
	Ms.Y L Priyanka	115151	0.030%
	Dr.S Prakash	454545	0.117%
	Mr.C M Kannan Unni	15151	0.004%
	Mr S Ramaswamy	15151	0.004%
	Mr S Sunderasan	15151	0.004%
	Mr V Jayaprakash	15151	0.004%
	Mr A G Gajapathy	15151	0.004%
	Mr Anand Shankar Roy	15151	0.004%
	Mr K C Kumar	15151	0.004%
	Mr K Harikrishnan	15151	0.004%

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Insurance

Star Health and Allied Insurance Co. Ltd.

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	Mr. A M Mallesh	10000	0.003%
	Mrs.Fathima Hassan	75757	0.020%
	Mrs.Thassim Nazeeha	75757	0.020%
	Mr.Rajeev Gupta	1708000	0.441%
	Individuals - NRI on Non Repatriable basis:		
	Mr.Syed M.Salahuddin	8300	0.002%
	Mr.V.P.Nagarajan	1744242	0.451%
	Mrs. S M Najeema Ahamed	3518106	0.909%
	Mr.Arif Buhari Rahman	8300	0.002%
	Mr.Ahmed Syed Salahuddin	8300	0.002%
	Mr.Hameed Syed Salahuddin	8300	0.002%
	Sub Total (A)	287704013	74.344%
	(i) Star Health Investments (P) Ltd	170924907	44.168%
	(ii) M/s.IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	68544102	17.712%
	(iii) Tata Trustee Company Limited (Tata Capital Growth Fund I)	24045296	6.213%
	(iv) A R Foundation Pvt Ltd	1554642	0.402%
(B)	Foreign Holdings		
	Individuals:		
	Mr.Syed M.Salahuddin	13563624	3.505%
	Mr.Essa Abdullah Al Ghurair	144772,23	3.741%
	Mr.V.P.Nagarajan	620000	0.160%
	Bodies Corporate		
	(i) Oman Insurance Company PSC	22536655	5.824%
	(ii) Alpha TC Holdings Pte Ltd	42029988	10.861%
	(iii) Alpha FDI Holding Pte Ltd	6060606	1.566%
	Sub Total (B)	9,92,88,096	25.656%
	Grand Total (A) + (B)	38,69,92,109	100.000%

Post-Issuance Shareholding Pattern of the Company

Sl.No	Category and shareholders	No. of equity shares	Percentage shareholding
(A)	Indian Shareholders		
	Individuals:		
	Mr.Mohamed Hassan	8,300	0.002%
	Mr.Abdul Qadir A Rahman Buhari.	8,820	0.002%
	Mr.V.Jagannathan	1,12,32,979	2.613%
	Mrs.Vasanthi Jagannathan	11,52,993	0.268%
	Dr.Sai Sathish	9,75,609	0.227%

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	Mr.Ahamed Shakir	100	0.000%
	Mr.K.S.M Musaddique	100	0.000%
	Mr.Habeeb Zarook	100	0.000%
	Mr. Thaika Omer Shaikh	100	0.000%
	Mr Avinash Chukkapalli	9,54,545	0.222%
	Mrs C Madhumati	4,45,454	0.104%
	Ms.Y L Priyanka	1,15,151	0.027%
	Dr.S Prakash	4,54,545	0.106%
	Mr.C M Kannan Unni	15,151	0.004%
	Mr S Ramaswamy	15,151	0.004%
	Mr S Sunderasan	15,151	0.004%
	Mr V Jayaprakash	15,151	0.004%
	Mr A G Gajapathy	15,151	0.004%
	Mr Anand Shankar Roy	15,151	0.004%
	Mr K C Kumar	15,151	0.004%
	Mr K Harikrishnan	15,151	0.004%
	Mr. A M Mallesh	10,000	0.002%
	Mrs.Fathima Hassan	75,757	0.018%
	Mrs.Thassim Nazeem	75,757	0.018%
	Mr.Rajeev Gupta	17,08,000	0.397%
	Individuals - NRI on Non Repatriable basis:		
	Mr.Syed M.Salahuddin	8,300	0.002%
	Mr.V.P.Nagarajan	17,44,242	0.406%
	Mrs. S M Najeema Ahamed	35,18,106	0.818%
	Mr.Arif Buhari Rahman	8,300	0.002%
	Mr.Ahmed Syed Salahuddin	8,300	0.002%
	Mr.Hameed Syed Salahuddin	8,300	0.002%
	Bodies Corporate:		
	(i) Star Health Investments (P) Ltd	17,09,24,907	39.757%
	(ii) M/s.IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	6,85,44,102	15.943%
	(iii) Tata Trustee Company Limited (Tata Capital Growth Fund I)	2,40,45,296	5.593%
	(iv) A R Foundation Pvt Ltd	15,54,642	0.362%
	Sub Total (A)	28,77,04,013	66.919%
(B)	Foreign Holdings		
	Individuals:		
	Mr.Syed M.Salahuddin	1,35,63,624	3.155%
	Mr.Essa Abdullah Al Ghurair	1,44,77,223	3.367%
	Mr.V.P.Nagarajan	6,20,000	0.144%
	Bodies Corporate:		
	(i) Oman Insurance Company PSC	2,25,36,655	5.242%
	(ii) Alpha TC Holdings Pte Ltd	4,20,29,988	9.776%
	(iii) Alpha FDI Holding Pte Ltd	60,60,606	1.410%
	(iv) Apis Growth 6 Ltd.	4,29,36,170	9.987%
	Sub Total (B)	14,22,24,266	33.081%
	Grand Total (A) + (B)	42,99,28,279	100.000%

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ITEM NO.2

Commensurate with the performance of the Company in terms of business growth and profit, it is recommended by the Board of Directors to revise the remuneration payable to Mr. V. Jagannathan, Chairman Cum Managing Director to an amount of Rs. 4,00,00,000/- (Rupees Four Crore only) with effect from 01.04.2016 for the consideration and approval of the members by special resolution in compliance with the provisions of Companies Act, 2013 and the Insurance Act, 1938. As mandated under the Insurance Act, 1938 a proposal was sent to Insurance Regulatory Development Authority of India (IRDAI) on 25.05.2016 and their approval for payment of such remuneration was accorded by the Authority on 09.06.2016.

None of the Directors except Mr. V. Jagannathan, Chairman Cum Managing Director and none of the Key Managerial Personnel (KMP) and their relatives are directly or indirectly concerned or interested in this resolution.

Details of Remuneration (per annum) payable to Mr. V. Jagannathan Chairman Cum Managing Director with effect from 01.04.2016 till further consideration from time to time.

A. REMUNERATION	Per annum In Rs.
Salary & Allowance	39748240
B. PERQUISITES	
1. Free use of company's car for official purposes	Yes
2. Provident Fund	131760
3. Traveling and Halting Allowance	Actual for Company's Business
4. Medical benefits	**
5. Other benefits	Group P A Insurance as per Company's Policy

** Reimbursement of hospitalization expenses for self and spouse on actual basis
Reimbursement of non hospitalization medical expenses on actual basis incurred for self and spouse

I. General Information:

- 1) Nature of industry : Insurance
- 2) Date of commencement of operation : 18.05.2006
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable
- 4) Financial performance based on given indicators: Sales Turnover for the FY 2015-16 Rs. 2007.00 Crore and profit after tax Rs.136.00 Crore
- 5) Foreign investments or collaborations: - FDI 25.66% of the Capital

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Star Health and Allied Insurance Co. Ltd.

H. Information about the appointed

The Health Insurance Specialist

- 1) Age : 71 Years
- 2) Qualification detail: M.A.
- 3) Background/Experience details: 4 decades in Insurance Field
- 4) Date of first Appointment in the Company : 17.05.2005
- 5) Past remuneration : Rs.1.00 Crore Per annum
- 6) Details of Shareholding in the Company : 2.9% of the total Paidup Capital
- 7) Recognition or awards: Nil
- 8) Job profile and his suitability : Chairman cum Managing Director and CMD from inception of the Company.
- 9) Remuneration proposed: Rs. 4.00 Crore p.a.
- 10) Terms & conditions: as per IRDA approval Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) : Prevailing salary structure in the industry is from Rs.4.00 crore to Rs.8.00 crore p.a.
- 11) Pecuniary relationship directly or indirectly with the company, or relationship with the Directors and managerial personnel, if any: N.A.
- 12) Details of other Directorship, membership/ Chairmanship of other Boards : Nil

III. Other information:

- 1) Reasons of loss or inadequate profits: N.A.
- 2) Steps taken or proposed to be taken for improvement: N.A.
- 3) Expected increase in productivity and profits in measurable terms: Turnover in and profits for the FY 2016-17 is expected to be Rs.2800 Crore and Rs.120.00 Crore respectively.

By Order of the Board

For STAR HEALTH AND ALLIED INSURANCE
COMPANY LIMITED

Company Secretary

Dated: 18 July, 2016
Place: Chennai 34.

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