

Ref. No. SE/ 2016-17/62

June 3, 2016

BSE Limited  
P. J. Towers  
Dalal Street  
Mumbai 400 001.

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Flr, Plot No. C/1  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051.

Kind Attn: DCS - CRD

Kind Attn: Head - Listing

Dear Sirs,

**Sub: Intimation under Regulation 30(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We wish to inform you that, the Board of Directors of HDFC ERGO General Insurance Company Limited (HDFC ERGO), a non listed subsidiary of the Corporation, at its meeting held today i.e. on June 3, 2016 subject to receipt of requisite approvals, has approved the acquisition of a 100% stake in L&T General Insurance Company Limited for an aggregate consideration of Rs. 551 crore.

A copy of the intimation received from HDFC ERGO in this regard, containing requisite details of the said acquisition under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith.

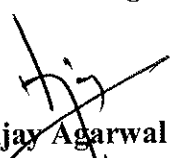
We also enclose a copy of the press release to be issued by HDFC ERGO, in the above connection.

We request you to kindly take note of the same and arrange to make the necessary announcement(s).

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,  
For **Housing Development Finance Corporation Limited**



**Ajay Agarwal**  
Company Secretary

Encl: a/a



June 3, 2016

The Company Secretary  
Housing Development Finance Corporation Limited  
HDFC House, 165-166, Backbay Reclamation  
H T Parekh Marg, Churchgate,  
Mumbai 400 020

Dear Sir,

**Sub: Proposed Acquisition of 100% of the equity shares of L&T General Insurance Company Limited**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We wish to inform you that, the Board of Directors of HDFC ERGO General Insurance Company Limited (HDFC ERGO), at its meeting held today, June 3, 2016, subject to receipt of requisite approvals, including from the Insurance Regulatory and Development Authority of India (IRDAI) and the Competition Commission of India (CCI), approved the acquisition of 100% share capital of L&T General Insurance Company Limited (L&T General Insurance), from its promoter Larsen & Toubro Limited, for an aggregate purchase price of Rs. 551 crore. Further, the Board of HDFC ERGO, subject to requisite approvals, including from IRDAI, CCI and the Hon'ble High Court / Tribunal of Judicature at Bombay approved the proposal to merge the two entities.

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we furnish below the details of the proposed acquisition:

Particulars	Details
Name of the target entity, details in brief such as size, turnover etc.	<p>Name of Target: L&amp;T General Insurance Company Limited, a wholly owned subsidiary of Larsen &amp; Toubro Limited.</p> <p>Size, Turnover etc.: For the financial year ended March 31, 2016, L&amp;T General Insurance had a Gross Written Premium of Rs. 483 crore and the paid-up share capital is Rs. 705 crore.</p>

Particulars	Details
Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at 'arms length'.	No
Industry to which the entity being acquired belongs.	General Insurance
Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The strategic rationale for the acquisition is obtaining additional top line volume and growth inter-alia by having access to distribution channels of L&T General Insurance and margin improvements by leveraging HDFC ERGO's expertise in reducing operating costs by leveraging on technology.
Brief details of any governmental or regulatory approvals required for the acquisition	The acquisition / merger proposal is subject to requisite approvals including from the Insurance Regulatory and Development Authority of India (IRDAI) and Competition Commission of India (CCI). Further the merger proposal would also require the approval of the Hon'ble High Court of Judicature at Bombay
Indicative time period for completion of the acquisition	Step 1 – acquisition of shares – about 2-3 months and Step-2 – merger – about 6-8 months.
Nature of consideration - whether cash consideration or share swap and details of the same.	Full cash consideration
Cost of acquisition or the price at which the shares are acquired	Aggregate purchase price for acquisition of 100% shareholding – Rs. 551 crore.
Percentage of shareholding/ control acquired and / or number of shares acquired.	100%

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Particulars	Details
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	<p>L&amp;T General Insurance is a 100 per cent subsidiary of engineering conglomerate, Larsen &amp; Toubro Limited.</p> <p>L&amp;T General Insurance was incorporated under the provisions of the Companies Act, 1956 with its registered office at L&amp;T House, Ballard Estate, Mumbai – 400 001, Maharashtra. L&amp;T General Insurance is licensed to carry on the business of general insurance in India by the IRDAI, having registration No. 146 dated 9 July 2010.</p> <p>It started its operations as a general insurer in October 2010 with product offerings spanning across auto, business, home and health insurance. L&amp;T General Insurance operates through 28 offices and has over 800 employees.</p> <p>Gross Written Premium (GWP) for the last 3 years, ended March 31, 2014, March 31, 2015 and March 31, 2016, was Rs. 270 crore, Rs. 344 crore and Rs. 483 crore, respectively.</p>

We request you to kindly take note of the above and do the needful.

Thanking you,

Yours faithfully,

**For HDFC ERGO General Insurance Company Limited**



**Dayananda V Shetty**

**Company Secretary and Head – Legal & Compliance**



**PRESS NOTE**

**HDFC ERGO TO ACQUIRE L&T GENERAL INSURANCE**

The Board of Directors of HDFC ERGO General Insurance Company Limited in its meeting held on 3<sup>rd</sup> June'16, approved purchase of 100% stake in L&T General Insurance Company Limited subject to IRDAI and other regulatory approvals. The Board also approved the plan to merge the two companies subject to all regulatory approvals.

Speaking on the occasion, Mr. Deepak Parekh, Chairman of HDFC Ltd and HDFC ERGO General Insurance said, "Considering the importance of scale in the insurance business, consolidation within the insurance industry is inevitable. This transaction marks the beginning of this consolidation phase. The acquisition will help HDFC ERGO to further strengthen its presence in the market. The combined size and expertise will result in improved cost efficiencies in the merged entity and benefit policy holders and other stakeholders."

For the all-cash deal structured by Arpwood Capital Pvt Ltd., exclusive financial advisors to HDFC ERGO, the transaction has been valued at Rs. 551 crores. The acquisition would help HDFC ERGO improve its market position.

HDFC ERGO expects significant cost synergies arising out of business, technology optimization and rationalization of offices.

HDFC ERGO, a 51:49 joint venture between housing major HDFC Limited and ERGO International, Germany (part of Munich Re Group), is the 4th largest private sector general insurer in India and offers all lines of general insurance products including motor, health, personal accident, home, fire, marine, aviation, liability, crop insurance etc. During the financial year ended March 31, 2016, the Company wrote gross premiums of Rs 3467 crores and made a profit after tax of Rs. 151 crores. The Company operates through 108 offices and employees strength of 2007.

L&T General Insurance is a wholly owned subsidiary of engineering conglomerate, Larsen and Toubro Ltd. The six year old insurer is a relatively new entrant in the insurance industry. During the financial year ended March 31, 2016, L&T General Insurance wrote gross premium of Rs 483 crores registering a growth of 40% over previous financial year. The company operates through 28 offices and employee strength over 800 employees.

**For any queries:**

Ms Shefali Khalsa

Senior Manager - Marketing and Corporate Communications

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Mr. Ritesh Kumar

Managing Director & CEO

Contact: 9920548814